MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

1. BASIS OF PREPARATION

The proforma consolidated statements of financial position have been prepared for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 below on the assumption that these transactions had been effected on 31 December 2015 and are based on the audited financial statements of the Group for the financial year ended 31 December 2015.

The proforma consolidated statements of financial position have been prepared based on the accounting policies adopted by the Group as disclosed in the audited financial statements for the financial year ended 31 December 2015.

The Proforma consolidated statements of financial position are presented in two (2) scenarios as follows:

Minimum Scenario : Assuming 180,470,000 Rights Shares are issued at an issue price of RM0.10 per Rights Share together with 120,313,333 Warrants, assuming undertakings and additional undertakings from two (2) substantial shareholders, namely Goh Boon Soo @ Goh Yang Eng and Teh Eng Huat, with no other entitled shareholders subscribing for any Rights Shares.

Maximum Scenario : Assuming 418,470,537 Rights Shares are issued at an issue price of RM0.10 per Rights Share together with 278,980,358 Warrants, assuming all entitled shareholders subscribe for their entitlements in full.

Fair value of Warrants

Pursuant to the Rights Issue of Shares with Warrants, the fair value assigned to the Warrants of RM0.066 each is determined using the Black-Scholes Option Pricing Model based on the following input computed as at 10 October 2016, being the latest practicable date ("LPD"):

(a)	Exercise price	:	RM0.10
(b)	Theoretical ex-all price	:	RM0.1027
(c)	Tenure	:	5 years from the date of issuance of Warrants
(d)	Volatility rate	:	79.227%
(e)	Period of volatility assessment	:	Last 365 market days to LPD
(f)	Risk free interest rate	:	3.176% per annum
(g)	Dividend yield	:	0.00%

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NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (CONT'D)

	Minimum Scenario	Maximum Scenario
No. of Warrants	120,313,333	278,980,358
Warrant reserve (RM) #	5,430,071	12,591,149

In arriving at the Warrant reserve, the fair values of the Rights Shares and Warrants were proportionately adjusted to the theoretical ex-all price of the Rights Share of RM0.1027 on the basis of two (2) Warrants for every three (3) Rights Shares.

2. EFFECTS ON THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The proforma consolidated statements of financial position are compiled for illustrative purposes only and to incorporate the following transactions as though they were effected on 31 December 2015:

Proforma I

Proforma I incorporates the effects of the Par Value Reduction and Share Consolidation which were completed on 22 August 2016 and 14 September 2016 respectively.

The Par Value Reduction of RM0.05 from the existing ordinary share of RM0.10 each in MQ gave rise to a credit of RM13,949,036 which was utilised to eliminate the Company's and the Group's accumulated losses of RM12,101,034 and RM16,750,042 respectively based on the audited financial statements of MQ for the financial year ended 31 December 2015.

The Share Consolidation of the issued and paid-up share capital of 278,980,707 MQ Shares of RM0.05 each resulted in 139,490,179 Consolidated Shares. Fractional entitlements totalling 174.5 MQ Shares of RM0.10 each amounting to RM17.45 arising from the Share Consolidation have been disregarded by MQ.

Proforma II

Proforma II incorporates the effects of Proforma I and the Rights Issue of Shares with Warrants after defrayment of estimated expenses of RM1,160,000 which will be offset against the share premium account.

The gross proceeds raised from the Rights Issue of Shares with Warrants will be utilised as follows:

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NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (CONT'D)

Descriptions	Minimum Scenario RM	Maximum Scenario RM
Payment of Subscription Consideration*	15,900,000	15,900,000
Extension of existing factory	-	12,500,000
Purchase of equipment and machineries	-	9,600,000
Working capital	987,000	2,687,054
Estimated expenses in relation to the corporate exercises	1,160,000	1,160,000
Gross proceeds raised	18,047,000	41,847,054

* *Subscription Consideration refers to the subscription price for 13,566,000 ordinary shares of RM1.00 each in Cash Support Property Sdn Bhd ("CSPSB"), representing 51% equity interest in CSPSB, through MQ's wholly-owned subsidiary, Star Acres Sdn Bhd, details of which can be found in the Abridged Prospectus.*

Proforma III

Proforma III incorporates the effects of Proforma II and the effects of the full exercise of Warrants into new MQ Shares at an exercise price of RM0.10 per Warrant.

Share Issuance Scheme ("SIS")

The SIS will not have any immediate effect on the consolidated net assets ("NA") per MQ Share until such time when the SIS options granted under the SIS are exercised. The consolidated NA per MQ Share following the exercise of the SIS options will increase if the subscription price exceeds the consolidated NA per MQ Share at the point of exercise of the SIS options and conversely will decrease if the subscription price is below the consolidated NA per MQ Share at the point of the exercise of the SIS options.

3. PROPERTY, PLANT AND EQUIPMENT

The movements in the property, plant and equipment of the Group are as follows:

	Minimum Scenario RM	Maximum Scenario RM
Audited as at 31 December 2015	26,125,526	26,125,526
Purchase of fifty (50)-year interest in the Project Land*	28,300,000	28,300,000
Extension of existing factory	-	12,500,000
Purchase of equipment and machinery	-	9,600,000
As per Proforma II	54,425,526	76,525,526

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NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (CONT'D)

* *Project Land refers to a parcel of ninety-nine (99)-year leasehold land held under H.S.(D) 80529, No. PT 146, Pekan Klebang Seksyen II, District of Melaka Tengah, State of Melaka measuring approximately 9.16 acres.*

4. CASH AND BANK BALANCES

The movements in the cash and bank balances of the Group are as follows:

	Minimum Scenario RM	Maximum Scenario RM
Audited as at 31 December 2015	2,136,266	2,136,266
Proceeds from Rights Issue of Shares with Warrants	18,047,000	41,847,054
Utilisation of proceeds:		
- payment of the remaining purchase consideration of the fifty (50)-year interest in the Project Land	(15,266,000)	(15,266,000)
- extension of existing factory	-	(12,500,000)
- purchase of equipment and machinery	-	(9,600,000)
Estimated expenses in relation to the corporate exercises	(1,160,000)	(1,160,000)
As per Proforma II	3,757,266	5,457,320
Full exercise of Warrants	12,031,333	27,898,036
As per Proforma III	15,788,599	33,355,356

5. SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

The movements in the share capital, share premium and other reserves of the Group are as follows:

Minimum Scenario:

	Share capital RM	Share Premium RM	Warrant reserve RM	Other reserve RM	Accumulated losses
Audited as at 31 December 2015	27,898,071	8,257,853	-	-	(16,750,042)
Par Value Reduction and Share Consolidation	(13,949,053)*	-	-	-	13,949,053
As per Proforma I	13,949,018	8,257,853	-	-	(2,800,989)
Rights Issue of Shares with Warrants	18,047,000	(1,160,000)	5,430,071	(5,430,071)	-
As per Proforma II	31,996,018	7,097,853	5,430,071	(5,430,071)	(2,800,989)
Exercise of Warrants	12,031,333	-	(5,430,071)	5,430,071	-
As per Proforma III	44,027,351	7,097,853	-	-	(2,800,989)

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NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (CONT'D)

Maximum Scenario:

	Share capital RM	Share Premium RM	Warrant reserve RM	Other reserve RM	Accumulated losses
Audited as at 31 December 2015	27,898,071	8,257,853	-	-	(16,750,042)
Par Value Reduction and Share Consolidation	(13,949,053)*	-	-	-	13,949,053
As per Proforma I	13,949,018	8,257,853	-	-	(2,800,989)
Rights Issue of Shares with Warrants	41,847,054	(1,160,000)	12,591,149	(12,591,149)	-
As per Proforma II	55,796,072	7,097,853	12,591,149	(12,591,149)	(2,800,989)
Exercise of Warrants	27,898,036	-	(12,591,149)	12,591,149	-
As per Proforma III	83,694,108	7,097,853	-	-	(2,800,989)

Note:

* *Fractional entitlements totalling 174.5 MQ Shares of RM0.10 each amounting to RM17.45 arising from the Share Consolidation have been disregarded by MQ.*

6. NON-CONTROLLING INTEREST

The movements of the non-controlling interest of the Group are as follows:

	Minimum and Maximum Scenarios RM
Audited as at 31 December 2015	-
Arising from the business combination pursuant to the Investment*	13,034,000
As per Proforma II	13,034,000

* *Investment refers to the joint venture between SASB and Cash Support Sdn Bhd in CSPSB to develop and carry on the business of theme park.*

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SJ GRANT THORNTON
CHARTERED ACCOUNTANTS
FIRM NO. AF: 0737

JOHN LAU TIANG HUA, CA, CPA
CHARTERED ACCOUNTANT

MQ TECHNOLOGY BERHAD

Company No. 635804-H

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
31 DECEMBER 2015

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MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

CORPORATE INFORMATION

Directors	Ch'ng Huck Khoon (Independent Non-Executive Director, Chairman) Teh Eng Huat (Executive Director) Khoo Hun Sniah (Executive Director) Wong Yu Sun (Executive Director) Lim Soon Seng (Executive Director) Dato Lim Char Boo (Independent Non-Executive Director) Na Chiang Seng (Independent Non-Executive Director) Mohd Anuar Bin Mohd Hanadzlah (Independent Non-Executive Director)
Secretaries	Datuk Tan Leh Kiah Ooi Yoong Yoong
Audit Committee	Ch'ng Huck Khoon (Chairman, Independent Non-Executive Director) Na Chiang Seng (Member, Independent Non-Executive Director) Mohd Anuar Bin Mohd Hanadzlah (Member, Independent Non-Executive Director)
Registered Office	39, Salween Road 10050 Penang

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

CORPORATE INFORMATION

Business Address	Plot 86-B, Lintang Bayan Lepas 9 Bayan Lepas Industrial Park 4 11900 Bayan Lepas Penang
Share Registrar	Tricor Investor & Issuing House Services Sdn. Bhd. Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur
Auditors	SJ Grant Thornton Chartered Accountants
Solicitors	Zaid Ibrahim & Co.
Principal Bankers	AmBank (M) Berhad Hong Leong Bank Berhad Public Bank Berhad Kasikornbank Public Company Limited
Stock Exchange Listing	ACE Market of Bursa Malaysia Securities Berhad

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MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended **31 December 2015**.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss after tax for the financial year	(1,523,789)	(1,764,525)

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended **31 December 2015** have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report, other than those disclosed in the financial statements.

DIVIDENDS

No dividends have been declared or paid by the Company since the end of the previous financial year.

The Company is not in a position to pay any dividend in view of the current year loss and the accumulated losses as at the end of the reporting period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year, other than those disclosed in the financial statements.

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SHARE CAPITAL AND DEBENTURE

During the financial year, the Company has increased its issued and paid up capital from RM25,361,891 to RM27,898,071 by way of allotment of 25,361,800 new ordinary shares of RM0.10 each at an issue price of RM0.10 per share for cash pursuant to a private placement. The proceeds were used for working capital. The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

DIRECTORS

The directors who served since the date of the last report are as follows:

Ch'ng Huck Khoon
Teh Eng Huat
Khoo Hun Sniah
Lim Soon Seng
Na Chiang Seng
Wong Yu Sun (appointed on 13.3.15)
Dato Lim Char Boo (appointed on 1.7.15)
Mohd Anuar Bin Mohd Hanadzlah (appointed on 21.1.16)
Soo Tee Wei (retired on 22.6.15)

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	--- Number of ordinary shares of RM0.10 each ---			
	Balance at 1.1.15	**Bought**	**Sold**	**Balance at 31.12.15**
The Company				
Direct interest:				
Teh Eng Huat	14,330,000	1,150,000	-	15,480,000
Khoo Hun Sniah	-	500,000	-	500,000
Deemed interest:				
Khoo Hun Sniah*	80,000	-	-	80,000

* By virtue of the spouse's interests.

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Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, and

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and

(iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and

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(iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, and

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

SIGNIFICANT EVENTS

Details of significant events are disclosed in Note 29 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 30 to the financial statements.

AUDITORS

The auditors, **SJ Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

....	....
Teh Eng Huat	**Khoo Hun Sniah**

Penang,

Date: 18 April 2016

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MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 12 to 65 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 December 2015** and of their financial performance and cash flows for the financial year then ended.

In the opinion of the directors, the supplementary information set out on page 66 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

....	....
Teh Eng Huat	**Khoo Hun Sniah**

Date: 18 April 2016

STATUTORY DECLARATION

I, **Teh Eng Huat**, the director primarily responsible for the financial management of **MQ Technology Berhad** do solemnly and sincerely declare that the financial statements set out on pages 12 to 65 and the supplementary information set out on page 66 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **18th**)
day of **April 2016**.)

....
~~Teh~~ **Teh Eng Huat**

Before me:

PESURUHJAYA SUMPAH MALAYSIA
No: P 125
Nama: GOH SUAN BEE

....
Commissioner for Oaths

20 Lebuh King
10200 Pulau Pinang

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MQ TECHNOLOGY BERHAD

Company No. 635804-H

(Incorporated in Malaysia)

SJ Grant Thornton (AF:0737)
Level 11 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
T +603 2692 4022
F +603 2691 5229
www.gt.com.my

Report on the Financial Statements

We have audited the financial statements of **MQ Technology Berhad**, which comprise the statements of financial position as at **31 December 2015** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 12 to 65.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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Independent Auditors' Report To The Members Of MQ Technology Berhad (cont'd)
Company No. 635804-H
(Incorporated in Malaysia)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 December 2015** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act,

(b) We have considered the accounts and the auditors' report of a subsidiary of which we have not acted as auditors, which are indicated in Note 6 to the financial statements,

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and

(d) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

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Independent Auditors' Report To The Members Of MQ Technology Berhad (cont'd)
Company No. 635804-H
(Incorporated in Malaysia)

Other Reporting Responsibilities

The supplementary information set out on page 66 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

SJ Grant Thornton
No. AF: 0737
Chartered Accountants

John Lau Tiang Hua, DJN
No. 1107/03/18 (J)
Chartered Accountant

Penang

Date: 18 April 2016

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MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		GROUP		COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
NON-CURRENT ASSETS					
Property, plant and equipment	4	26,125,526	26,378,663	-	65
Goodwill	5	-	-	-	-
Investments in subsidiaries	6	-	-	10,432,931	11,463,158
		26,125,526	26,378,663	10,432,931	11,463,223
CURRENT ASSETS					
Inventories	7	1,163,322	715,351	-	-
Trade and other receivables	8	7,901,089	4,238,094	13,691,286	9,434,123
Current tax assets		433,339	231,448	-	-
Cash and bank balances	9	2,136,266	4,911,189	34,930	2,581,129
		11,634,016	10,096,082	13,726,216	12,015,252
CURRENT LIABILITIES					
Trade and other payables	10	3,868,196	2,977,964	104,257	65,559
Borrowings	11	1,692,366	1,797,742	-	-
		5,560,562	4,775,706	104,257	65,559
NET CURRENT ASSETS		6,073,454	5,320,376	13,621,959	11,949,693
NON-CURRENT LIABILITIES					
Borrowings	11	3,607,412	4,587,522	-	-
Deferred tax liabilities	12	1,899,218	1,940,709	-	-
		5,506,630	6,528,231	-	-
NET ASSETS		26,692,350	25,170,808	24,054,890	23,412,916
EQUITY					
Share capital	13	27,898,071	25,361,891	27,898,071	25,361,891
Share premium		8,257,853	8,387,534	8,257,853	8,387,534
Currency translation reserve	14	971,200	332,368	-	-
Asset revaluation reserve	15	6,315,268	6,315,268	-	-
Accumulated losses		(16,750,042)	(15,226,253)	(12,101,034)	(10,336,509)
TOTAL EQUITY		26,692,350	25,170,808	24,054,890	23,412,916

The notes set out on pages 19 to 65 form an integral part of these financial statements.

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MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

		GROUP		COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
Revenue	16	17,949,550	13,831,660	30,000	-
Cost of goods sold		(15,154,159)	(15,997,632)	-	-
Gross profit/(loss)		2,795,391	(2,165,972)	30,000	-
Other income		998,233	424,799	-	19,281
Administrative and general expenses		(4,496,775)	(4,714,382)	(451,796)	(390,479)
Impairment loss on investment in a subsidiary		-	-	(1,342,729)	(1,251,447)
Selling and distribution expenses		(458,326)	(301,277)	-	-
Finance costs		(403,744)	(284,104)	-	-
Loss before tax	17	(1,565,221)	(7,040,936)	(1,764,525)	(1,622,645)
Tax income	18	41,432	9,717	-	-
Loss for the financial year		(1,523,789)	(7,031,219)	(1,764,525)	(1,622,645)
Other comprehensive income, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		-	6,315,268	-	-
Item that will be reclassified subsequently to profit or loss					
Foreign exchange differences for foreign operation		638,832	347,146	-	-
Other comprehensive income for the financial year, net of tax	19	638,832	6,662,414	-	-
Total comprehensive loss for the financial year attributable to owners of the Company		(884,957)	(368,805)	(1,764,525)	(1,622,645)
Basic/Diluted loss per share (sen)	20	(0.58)	(2.93)		

The notes set out on pages 19 to 65 form an integral part of these financial statements.

SJ GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	NOTE	Share Capital RM	Non-distributable: Share Premium RM	Non-distributable: Currency Translation Reserve RM	Non-distributable: Asset Revaluation Reserve RM	Accumulated Losses RM	Total Equity RM
2015							
Balance at beginning		25,361,891	8,387,534	332,368	6,315,268	(15,226,253)	25,170,808
Foreign exchange differences for foreign operation	19	-	-	638,832	-	-	638,832
Loss for the financial year		-	-	-	-	(1,523,789)	(1,523,789)
Total comprehensive loss for the financial year		-	-	638,832	-	(1,523,789)	(884,957)
Transactions with owners:							
Issuance of shares pursuant to private placement	13	2,536,180	-	-	-	-	2,536,180
Payment of private placement expenses		-	(129,681)	-	-	-	(129,681)
Total transactions with owners		2,536,180	(129,681)	-	-	-	2,406,499
Balance at end		27,898,071	8,257,853	971,200	6,315,268	(16,750,042)	26,692,350

The notes set out on pages 19 to 65 form an integral part of these financial statements.

SJ GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (*CONT'D*)

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

				|------------Non-distributable	------------|		
	NOTE	Share Capital RM	Treasury Shares RM	Share Premium RM	Currency Translation Reserve RM	Asset Revaluation Reserve RM	Accumulated Losses RM	Total Equity RM
2014								
Balance at beginning		23,056,291	(1,232,597)	8,616,847	(14,778)	-	(8,195,034)	22,230,729
Revaluation of property, plant and equipment		-	-	-	-	6,315,268	-	6,315,268
Foreign exchange differences for foreign operation		-	-	-	347,146	-	-	347,146
Total other comprehensive income for the financial year	19	-	-	-	347,146	6,315,268	-	6,662,414
Loss for the financial year		-	-	-	-	-	(7,031,219)	(7,031,219)
Total comprehensive loss for the financial year		-	-	-	347,146	6,315,268	(7,031,219)	(368,805)
Transactions with owners:								
Issuance of shares pursuant to private placement	13	2,305,600	-	-	-	-	-	2,305,600
Payment of private placement expenses		-	-	(67,028)	-	-	-	(67,028)
Reissue of treasury shares	21	-	1,232,597	(162,285)	-	-	-	1,070,312
Total transactions with owners		2,305,600	1,232,597	(229,313)	-	-	-	3,308,884
Balance at end		25,361,891	-	8,387,534	332,368	6,315,268	(15,226,253)	25,170,808

The notes set out on pages 19 to 65 form an integral part of these financial statements.

SJ GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

			|----- Non-distributable -----|			
	NOTE	Share Capital RM	Treasury Shares RM	Share Premium RM	Accumulated Losses RM	Total Equity RM
2015						
Balance at beginning		**25,361,891**	**-**	**8,387,534**	**(10,336,509)**	**23,412,916**
Net loss, representing total comprehensive loss for the financial year		**-**	**-**	**-**	**(1,764,525)**	**(1,764,525)**
Transactions with owners:						
Issuance of shares pursuant to private placement	13	**2,536,180**	**-**	**-**	**-**	**2,536,180**
Payment of private placement expenses		**-**	**-**	**(129,681)**	**-**	**(129,681)**
Total transactions with owners		**2,536,180**	**-**	**(129,681)**	**-**	**2,406,499**
Balance at end		**27,898,071**	**-**	**8,257,853**	**(12,101,034)**	**24,054,890**
2014						
Balance at beginning		23,056,291	(1,232,597)	8,616,847	(8,713,864)	21,726,677
Net loss, representing total comprehensive loss for the financial year		-	-	-	(1,622,645)	(1,622,645)
Transactions with owners:						
Issuance of shares pursuant to private placement	13	2,305,600	-	-	-	2,305,600
Payment of private placement expenses		-	-	(67,028)	-	(67,028)
Reissue of treasury shares	21	-	1,232,597	(162,285)	-	1,070,312
Total transactions with owners		2,305,600	1,232,597	(229,313)	-	3,308,884
Balance at end		25,361,891	-	8,387,534	(10,336,509)	23,412,916

The notes set out on pages 19 to 65 form an integral part of these financial statements.

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FOR IDENTIFICATION PURPOSES ONLY

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax	**(1,565,221)**	(7,040,936)	**(1,764,525)**	(1,622,645)
Adjustments for:				
Deposits forfeited	**-**	12,293	**-**	-
Depreciation	**3,081,778**	4,306,671	**65**	803
Gain on disposal of property, plant and equipment	**(143,589)**	(132,922)	**-**	-
Impairment loss on investment in a subsidiary	**-**	-	**1,342,729**	1,251,447
Interest expense	**403,744**	284,104	**-**	-
Interest income	**(3,044)**	(21,724)	**-**	(19,281)
Property, plant and equipment written off	**3,263**	6,475	**-**	-
Unrealised loss on foreign exchange	**160,299**	5,849	**-**	-
Operating profit/(loss) before working capital changes	**1,937,230**	(2,580,190)	**(421,731)**	(389,676)
Increase in inventories	**(438,332)**	(450,188)	**-**	-
Increase in receivables	**(3,578,803)**	(2,085,202)	**(4,257,163)**	(3,348,587)
Increase/(Decrease) in payables	**859,223**	(141,407)	**38,698**	15,068
Cash used in operations	**(1,220,682)**	(5,256,987)	**(4,640,196)**	(3,723,195)
Income tax paid	**(210,533)**	(143,454)	**-**	-
Income tax refunded	**35,940**	35,763	**-**	-
Net cash used in operating activities	**(1,395,275)**	(5,364,678)	**(4,640,196)**	(3,723,195)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	**3,044**	21,724	**-**	19,281
Investment in a subsidiary	**-**	-	**(2)**	-
Placement of fixed deposit	**(10,000)**	(250,000)	**-**	-
Proceeds from disposal of property, plant and equipment	**143,589**	157,531	**-**	-
* Purchase of property, plant and equipment	**(1,501,380)**	(1,993,495)	**-**	-
Subscription for shares in a subsidiary	**-**	-	**(312,500)**	(591,314)
Net cash used in investing activities	**(1,364,747)**	(2,064,240)	**(312,502)**	(572,033)
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of term loan	**357,667**	5,000,000	**-**	-
Interest paid	**(403,744)**	(284,104)	**-**	-
Payment of private placement expenses	**(129,681)**	(67,028)	**(129,681)**	(67,028)
Proceeds from private placement	**2,536,180**	2,305,600	**2,536,180**	2,305,600
Proceeds from sale of treasury shares	**-**	1,070,312	**-**	1,070,312
Repayment of term loans	**(1,042,421)**	(416,670)	**-**	-
Repayment of finance lease	**(1,214,337)**	(1,947,146)	**-**	-
Net cash from financing activities	**103,664**	5,660,964	**2,406,499**	3,308,884
NET DECREASE IN CASH AND CASH EQUIVALENTS CARRIED FORWARD	**(2,656,358)**	(1,767,954)	**(2,546,199)**	(986,344)

The notes set out on pages 19 to 65 form an integral part of these financial statements.

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FOR IDENTIFICATION PURPOSES ONLY

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
NET DECREASE IN CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**(2,656,358)**	(1,767,954)	**(2,546,199)**	(986,344)
Effects of changes in exchange rate on cash and cash equivalents	**(128,565)**	(68,918)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING	**4,661,189**	6,498,061	**2,581,129**	3,567,473
CASH AND CASH EQUIVALENTS AT END	**1,876,266**	4,661,189	**34,930**	2,581,129
Represented by:				
Cash and bank balances	**2,136,266**	4,911,189	**34,930**	2,581,129
Less: Pledged deposits	**(260,000)**	(250,000)	-	-
Cash and cash equivalents	**1,876,266**	4,661,189	**34,930**	2,581,129
* **Purchase of property, plant and equipment**				
Total acquisition cost	**2,265,100**	2,089,375	-	-
Acquired under finance lease arrangements	**(763,720)**	(95,880)	-	-
Total cash acquisition	**1,501,380**	1,993,495	-	-

The notes set out on pages 19 to 65 form an integral part of these financial statements.

MQ TECHNOLOGY BERHAD
Company No. 635804-H
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 39, Salween Road, 10050 Penang.

The principal place of business of the Company is located at Plot 86-B, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park 4, 11900 Bayan Lepas, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 April 2016.

Principal Activities

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies below.

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Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.4 Adoption of Amendments/Improvements to MFRS

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial years except for the adoption of the following standards that are mandatory for the current financial year:

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Effective for annual periods beginning on or after 1 July 2014
Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
Annual improvements to MFRS 2010-2012 Cycle
Annual improvements to MFRS 2011-2013 Cycle

Initial application of the above standards did not have any material impact to the financial statements of the Group and of the Company.

2.5 **Standards Issued But Not Yet Effective**

The Group and the Company have not applied the following standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2016
MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101 Disclosure Initiative
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants
Amendments to MFRS 127 Equity Method in Separate Financial Statements
Annual Improvements to MFRS 2012–2014 Cycle

Effective for annual periods beginning on or after 1 January 2018
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption except as mentioned below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC Int 13 Customer Loyalty Programmes*, *IC Int 15 Agreements for Construction of Real Estate*, *IC Int 18 Transfers of Assets from Customers* and *IC Int 131 Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of *MFRS 15*, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of *MFRS 15* will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting *MFRS 15*.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of depreciable assets**

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 5 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the plant and equipment. Therefore, future depreciation charges could be revised.

(ii) **Impairment of plant and equipment**

The Group performs an impairment review as and when there are impairment indicators to ensure that the carrying value of the plant and equipment does not exceed its recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

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(iii) **Impairment of loans and receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

(vi) **Deferred tax assets**

Deferred tax assets are recognised for unused tax losses and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) **Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(ii) **Business combination**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) **Acquisitions of non-controlling interests**

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(iv) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(v) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

3.2 **Property, Plant and Equipment**

Property, plant and equipment are stated at cost except for the land and buildings and improvements which are stated at valuation, less accumulated depreciation and accumulated impairment losses.

The land and buildings and improvements shown at valuation are based on valuation reports by external independent valuer. Revaluations are performed at least once in every three years.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained profits upon retirement or disposal of the asset.

All other property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Leasehold land	Amortised over its lease period of 59 years
Buildings and improvements	2% - 20%
Plant and machinery	10%
Furniture, fittings and office equipment	10% - 20%
Motor vehicles	20%

Freehold land is not amortised as it has an infinite life.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss and the attributable portion of the revaluation surplus is taken directly to retained profits.

3.3 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

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Finance lease

A finance lease which includes hire purchase arrangement, is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset to the lessee. Title may or may not eventually be transferred.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3.4 **Impairment of Non-Financial Assets**

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment loss recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.5 Financial Instruments

3.5.1 Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

3.5.2 **Financial instrument categories and subsequent measurement**

The Group and the Company categorise financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3.5.3 **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.5.4 **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

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Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in statement of comprehensive income over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

3.5.5 Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.6 Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

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3.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials and consumables comprises the original cost of purchases plus the cost of bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes materials, direct labour and attributable production overheads.

Cost is determined on the first-in, first-out basis.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.10 Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and when the revenue can be reliably measured on the following bases:

(i) Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Interest income is recognised on a time proportion basis using the applicable effective interest rate.

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3.11 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

3.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.13 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3.14 Goods and Services Tax

Goods and Services Tax ("GST") is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input tax that a company pays on business purchases is offset against output tax.

Revenue, expenses and assets are recognised net of GST except:

- where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

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3.15 Foreign Currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

Foreign Operation

The assets and liabilities of foreign operation are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operation are translated to RM at exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve ("CTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the CTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

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When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the CTR in equity.

3.16 Share Capital, Share Issuance Expenses and Dividends

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared.

Share premium includes any premiums received upon issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Costs directly attributable to the issuance of instruments classified as equity are recognised as a deduction from equity.

3.17 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

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3.18 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 DECEMBER 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (*CONT'D*)

4. **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	At valuation			At cost						
	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Freehold land RM	Leasehold land RM	Buildings and improvements RM	Plant and machinery RM	Furniture, fittings and office equipment RM	Motor vehicles RM	Total RM
2015										
At valuation/cost										
Balance at beginning	665,234	8,400,000	6,059,462	-	-	-	48,743,205	1,442,580	1,448,985	66,759,466
Additions	-	-	7,408	-	-	-	1,273,410	335,057	649,225	2,265,100
Disposals	-	-	-	-	-	-	(1,551,125)	-	(56,573)	(1,607,698)
Written off	-	-	-	-	-	-	-	(29,881)	-	(29,881)
Foreign currency translation	73,345	-	159,328	-	-	-	823,220	56,571	53,880	1,166,344
Balance at end	738,579	8,400,000	6,226,198	-	-	-	49,288,710	1,804,327	2,095,517	68,553,331
Accumulated depreciation										
Balance at beginning	-	41,791	27,885	-	-	-	38,277,631	1,068,666	964,830	40,380,803
Current charge	-	167,164	192,528	-	-	-	2,258,334	177,593	286,159	3,081,778
Disposals	-	-	-	-	-	-	(1,551,125)	-	(56,573)	(1,607,698)
Written off	-	-	-	-	-	-	-	(26,618)	-	(26,618)
Foreign currency translation	-	-	78,952	-	-	-	444,031	38,039	38,518	599,540
Balance at end	-	208,955	299,365	-	-	-	39,428,871	1,257,680	1,232,934	42,427,805
Carrying amount	738,579	8,191,045	5,926,833	-	-	-	9,859,839	546,647	862,583	26,125,526
2014										
At valuation/cost										
Balance at beginning	-	-	-	564,904	1,680,577	6,179,404	48,523,702	1,414,375	2,939,885	61,302,847
Additions	-	-	-	-	-	9,477	1,970,752	13,266	95,880	2,089,375
Disposals	-	-	-	-	-	-	(372,296)	-	(1,614,206)	(1,986,502)
Written off	-	-	-	-	-	-	(1,770,000)	(12,296)	-	(1,782,296)
Revaluation	661,817	8,400,000	6,017,106	(598,369)	(1,680,577)	(6,226,377)	-	-	-	6,573,600
Foreign currency translation	3,417	-	42,356	33,465	-	37,496	391,047	27,235	27,426	562,442
Balance at end	665,234	8,400,000	6,059,462	-	-	-	48,743,205	1,442,580	1,448,985	66,759,466
Accumulated depreciation										
Balance at beginning	-	-	-	-	227,875	1,291,119	37,060,287	907,037	1,715,681	41,201,999
Current charge	-	41,791	27,885	-	21,363	112,575	3,666,283	150,302	286,472	4,306,671
Disposals	-	-	-	-	-	-	(904,721)	-	(1,057,173)	(1,961,894)
Written off	-	-	-	-	-	-	(1,770,000)	(5,821)	-	(1,775,821)
Revaluation	-	-	-	-	(249,238)	(1,441,993)	-	-	-	(1,691,231)
Foreign currency translation	-	-	-	-	-	38,299	225,782	17,148	19,850	301,079
Balance at end	-	41,791	27,885	-	-	-	38,277,631	1,068,666	964,830	40,380,803
Carrying amount	665,234	8,358,209	6,031,577	-	-	-	10,465,574	373,914	484,155	26,378,663

COMPANY

	Furniture, fittings and office equipment	
	2015	2014
	RM	RM
At cost	**8,025**	8,025
Accumulated depreciation		
Balance at beginning	**7,960**	7,157
Current charge	**65**	803
Balance at end	**8,025**	7,960
Carrying amount	**-**	65

(i) The carrying amounts of the Group's plant and equipment acquired under finance lease are as follows:

	2015	2014
	RM	RM
Plant and machinery	**2,716,143**	3,522,573
Motor vehicles	**870,188**	483,463
	3,586,331	4,006,036

The leased assets are pledged as security for the related finance lease liabilities (Note 11).

(ii) The carrying amounts of leasehold land and buildings of a subsidiary, totalling **RM8,191,045** (2014: RM8,358,209) and **RM4,460,575** (2014: RM 4,572,115) respectively are pledged to a licensed bank as security for banking facilities granted to that subsidiary.

(iii) The directors had revalued the subsidiaries' freehold land, leasehold land and buildings and improvements on 21 October 2014 and 22 October 2014 based on the valuations carried out by independent professional valuers, Knight Frank Malaysia Sdn. Bhd. and Progress Appraisal Co., Ltd., using the open market value basis.

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If the revalued properties were measured using the cost model, the carrying amounts would be as follows:

	2015	2014
	RM	RM
Freehold land	**598,369**	598,369
Leasehold land	**1,395,729**	1,424,217
Buildings and improvements	**4,660,274**	4,759,562

(iv) Fair value measurement of the freehold land, leasehold land and buildings and improvements are categorised as follows:

	Level 1	**Level 2**	**Level 3**
	RM	**RM**	**RM**
2015			
Freehold land	-	**738,579**	-
Leasehold land	-	**8,191,045**	-
Buildings and improvements	-	**5,926,833**	-
2014			
Freehold land	-	665,234	-
Leasehold land	-	8,358,209	-
Buildings and improvements	-	6,031,577	-

There were no transfer between Level 1 and 2 during the financial year.

Level 2 Fair Value

Level 2 fair values of the above properties have been generally derived based on independent professional valuers using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

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5. GOODWILL

	2015 RM	2014 RM
Cost	**960,221**	960,221
Accumulated impairment losses	**(960,221)**	(960,221)
	-	-

6. INVESTMENT IN SUBSIDIARIES

	COMPANY 2015 RM	COMPANY 2014 RM
Unquoted shares, at cost	**26,226,989**	25,914,487
Less: Accumulated impairment loss		
Balance at beginning	**(14,451,329)**	(13,199,882)
Current year	**(1,342,729)**	(1,251,447)
Balance at end	**(15,794,058)**	(14,451,329)
	10,432,931	11,463,158

Details of the subsidiaries are as follows:

Name of Company	Place of Incorporation	Effective Equity Interest 2015 %	Effective Equity Interest 2014 %	Principal Activities
Microlead Precision Technology Sdn. Bhd.	Malaysia	**100%**	100%	(i) Manufacture of moulds, tools, dies, jigs and fixtures mainly for use in the manufacture of hard disk drives; (ii) Design, development and manufacture of advanced suspension tooling, progressive tooling, semiconductor cavity/ encapsulation moulds for application in hard disk drives and semiconductor industries; and

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Name of Company	Place of Incorporation	Effective Equity Interest 2015 %	2014 %	Principal Activities
				(iii) Design, development and manufacture of advanced automation modules/ assemblies for digital data storage, medical instrument systems/devices and optoelectronics applications and related components.
Star Acres Sdn. Bhd.	Malaysia	**100%**	-	Dormant.
MPT Solution Co., Ltd.*	Thailand	**100%**	100%	Manufacture of car spare parts, plastic moulds, metal moulds and blowing moulds for plastic products, tooling, jigs and fixtures for electronic and semiconductor.

* Not audited by SJ Grant Thornton.

During the financial year, the management has carried out a review of the recoverable amounts of its investment in subsidiaries and has led to the recognition of impairment loss of **RM1,342,729** (2014: RM1,251,447) on a subsidiary as its recoverable amount estimated was less than its carrying amount.

2015

(i) During the financial year under review, the Company subscribed for additional shares in MPT Solution Co., Ltd. for a total cash consideration of RM312,500. The additional subscription did not result in any change in the effective equity interest of the Group and of the Company in the subsidiary.

(ii) On 11 February 2015, the Company has acquired the entire issued and paid-up share capital of a shelf company, Star Acres Sdn. Bhd., for a total cash consideration of RM2.

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7. INVENTORIES

	GROUP	
	2015	2014
	RM	RM
Raw materials	**659,296**	241,841
Work-in-progress	**269,571**	246,735
Finished goods	**134,727**	153,885
Consumables	**99,728**	72,890
	1,163,322	715,351

During the financial year, the inventories recognised in profit or loss as cost of sales is **RM15,154,159** (2014: RM15,997,632).

8. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Trade				
Trade receivables (Note 8.1)	**4,728,699**	3,792,708	-	-
Non-trade				
Other receivables (Note 8.2)	**659,958**	-	-	-
GST receivables	**65,281**	-	**13,589**	-
Refundable deposits	**70,321**	54,476	-	-
Amount due from subsidiaries (Note 8.3)	-	-	**13,236,192**	9,253,723
Prepayments (Note 8.4)	**2,376,830**	390,910	**441,505**	180,400
	3,172,390	445,386	**13,691,286**	9,434,123
	7,901,089	4,238,094	**13,691,286**	9,434,123

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Ringgit Malaysia	**4,778,544**	779,089	**13,691,286**	9,434,123
Thai Baht	**1,490,048**	1,258,819	-	-
US Dollar	**1,632,497**	2,199,270	-	-
Others	-	916	-	-
	7,901,089	4,238,094	**13,691,286**	9,434,123

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8.1 **Trade receivables**

Included herein is an amount of **RM194,488** (2014: RM216,243) being balance due from companies in which certain directors of the Company have financial interests.

Trade receivables are non-interest bearing and are generally on **30 to 90 days** (2014: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

8.2 **Other receivables**

Included herein is an amount of **RM500,000** (2014: RM Nil) being a refundable advance to Cash Support Sdn. Bhd. ("CSSB") pursuant to the heads of agreement and subscription and shareholders' agreement entered into with CSSB as disclosed in Note 29(i) and Note 30(i) to the financial statements.

8.3 **Amount due from subsidiaries**

The amount due from subsidiaries relates to advances which are unsecured, non-interest bearing and are repayable on demand.

8.4 **Prepayments**

Included herein is an amount of **RM1,030,000** (2014: RM Nil) being payment made to external professional parties in relation to the design, market research and feasibility study fees for the theme park business of a subsidiary.

9. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Unencumbered				
Fixed deposit with a licensed bank	**1,405**	1,241	-	-
Cash on hand and at bank	**1,874,861**	4,659,948	**34,930**	2,581,129
Cash and cash equivalents	**1,876,266**	4,661,189	**34,930**	2,581,129
Encumbered				
Fixed deposit with a licensed bank	**260,000**	250,000	-	-
	2,136,266	4,911,189	**34,930**	2,581,129

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The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Ringgit Malaysia	**1,215,014**	3,575,911	**34,930**	2,581,129
US Dollar	**551,482**	717,421	**-**	-
Thai Baht	**369,770**	617,857	**-**	-
	2,136,266	4,911,189	**34,930**	2,581,129

The encumbered fixed deposit is placed in the name of a director, held in trust for a subsidiary and is pledged to a licensed bank for bank guarantee facility granted to a subsidiary.

The effective interest rates of the Group's fixed deposits as at the end of the reporting period range from **1.60% to 3.30%** (2014: 1.60% to 3.30%) per annum.

10. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Trade payables (Note 10.1)	**1,491,503**	1,492,745	**-**	-
Other payables and accruals	**2,376,693**	1,485,219	**104,257**	65,559
	3,868,196	2,977,964	**104,257**	65,559

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Ringgit Malaysia	**3,592,225**	2,016,675	**104,257**	65,559
Thai Baht	**229,289**	916,271	**-**	-
US Dollar	**32,923**	17,819	**-**	-
Others	**13,759**	27,199	**-**	-
	3,868,196	2,977,964	**104,257**	65,559

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10.1 Trade payables

Included herein is an amount of **RM55,400** (2014: RM15,003) being balance owing to companies in which certain directors of the Company have financial interests.

Trade payables are non-interest bearing and are normally settled within **30 to 90 days** (2014: 30 to 90 days) credit terms.

11. BORROWINGS

	GROUP	
	2015	2014
	RM	RM
Non-current liabilities		
Finance lease liabilities - secured		
Minimum payments:		
Within 1 year	**916,772**	1,181,475
Later than 1 year but not later than 2 years	**269,294**	677,900
Later than 2 years but not later than 5 years	**340,970**	77,189
	1,527,036	1,936,564
Future finance charges	**(139,661)**	(134,630)
	1,387,375	1,801,934
Amount due within 1 year included under current liabilities	**(839,580)**	(1,087,537)
	547,795	714,397
Term loans - secured		
Total amount repayable	**3,912,403**	4,583,330
Amount due within 1 year included under current liabilities	**(852,786)**	(710,205)
	3,059,617	3,873,125
	3,607,412	4,587,522
Current liabilities		
Secured:		
Finance lease liabilities	**839,580**	1,087,537
Term loans	**852,786**	710,205
	1,692,366	1,797,742
Total borrowings	**5,299,778**	6,385,264

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The currency profile of borrowings is as follows:

	GROUP	
	2015	2014
	RM	RM
Ringgit Malaysia	**4,614,406**	6,103,086
Thai Baht	**685,372**	282,178
	5,299,778	6,385,264

The term loans are secured by way of:

(i) Fixed charges over a subsidiary's leasehold land and buildings, and
(ii) Corporate guarantee of the Company.

The finance lease liabilities are secured over the leased assets (Note 4(i)) and the corporate guarantee of the Company.

A summary of the effective interest rates and the maturities of the borrowings is as follows:

	Average effective interest rate per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
2015						
Finance lease liabilities	**1.49 to 6.00**	**1,387,375**	**839,580**	**231,008**	**316,787**	**-**
Term loans	**6.80 to 7.00**	**3,912,403**	**852,786**	**912,875**	**2,146,742**	**-**
2014						
Finance lease liabilities	2.43 to 6.00	1,801,934	1,087,537	642,603	71,794	-
Term loan	6.80	4,583,330	710,205	760,033	2,615,270	497,822

12. DEFERRED TAX LIABILITIES

	GROUP	
	2015	2014
	RM	RM
Revaluation surplus:		
Balance at beginning	**1,940,709**	-
Addition during the financial year	**-**	1,949,563
Transfer to profit or loss	**(41,491)**	(8,854)
Balance at end	**1,899,218**	1,940,709

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13. SHARE CAPITAL

	Number of ordinary shares of RM0.10 each		Amount	
	2015	2014	**2015** RM	2014 RM
Authorised	**500,000,000**	500,000,000	**50,000,000**	50,000,000
Issued and fully paid:				
Balance at beginning	**253,618,907**	230,562,907	**25,361,891**	23,056,291
Allotment, at par pursuant to private placement	**25,361,800**	23,056,000	**2,536,180**	2,305,600
Balance at end	**278,980,707**	253,618,907	**27,898,071**	25,361,891

2015

During the financial year, the Company has increased its issued and paid up capital from RM25,361,891 to RM27,898,071 by way of allotment of 25,361,800 new ordinary shares of RM0.10 each at an issue price of RM0.10 per share for cash pursuant to a private placement.

2014

During the financial year, the Company has increased its issued and paid up capital from RM23,056,291 to RM25,361,891 by way of allotment of 23,056,000 new ordinary shares of RM0.10 each at an issue price of RM0.10 per share for cash pursuant to a private placement.

14. CURRENCY TRANSLATION RESERVE

This is in respect of foreign exchange differences on translation of the financial statements of a foreign subsidiary.

15. ASSET REVALUATION RESERVE

This is in respect of the surplus on revaluation of the Group's freehold land, leasehold land and buildings and improvements, net of deferred tax which is non-distributable by way of dividend payout.

16. REVENUE

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Sale of goods	**17,949,550**	13,831,660	**-**	-
Management fee	**-**	-	**30,000**	-
	17,949,550	13,831,660	**30,000**	-

17. LOSS BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
After charging/(crediting):				
Auditors' remuneration				
- Audit fee				
Company's auditors				
- current year	**53,000**	50,000	**32,000**	30,000
- under provision in prior year	**-**	7,000	**-**	5,000
Other auditors	**15,647**	11,435	**-**	-
- Non-audit fee				
Company's auditors	**9,000**	5,000	**5,000**	5,000
Deposits forfeited	**-**	12,293	**-**	-
Depreciation	**3,081,778**	4,306,671	**65**	803
Gain on disposal of property, plant and equipment	**(143,589)**	(132,922)	**-**	-
(Gain)/Loss on foreign exchange:				
- Realised	**(722,794)**	(252,475)	**-**	-
- Unrealised	**160,299**	5,849	**-**	-
Interest expense on:				
- finance lease	**103,429**	148,166	**-**	-
- term loans	**300,316**	135,938	**-**	-
Interest income	**(3,044)**	(21,724)	**-**	(19,281)
Property, plant and equipment written off	**3,263**	6,475	**-**	-
Recovery of cash embezzlement	**(37,690)**	(21,176)	**-**	-
Rental of premises	**-**	17,619	**-**	-
Rental income	**(1,200)**	(1,300)	**-**	-

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18. TAX INCOME

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Malaysian income tax:				
Based on results for the financial year				
- Deferred tax relating to origination and reversal of temporary differences	**41,491**	8,854	-	-
(Under)/Over provision of current tax in prior year	**(59)**	863	-	-
	41,432	9,717	-	-

The reconciliation of tax income of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Loss before tax	**(1,565,221)**	(7,040,936)	**(1,764,525)**	(1,622,645)
Income tax at Malaysian statutory tax rate of 25%	**391,305**	1,760,234	**441,131**	405,661
Effect of different tax rate in other country	**(12,127)**	19,241	-	-
Income not subject to tax	**7,755**	110,657	**7,500**	-
Expense not deductible for tax purposes	**(203,302)**	(308,461)	**(448,631)**	(405,661)
Utilisation of unabsorbed capital allowances	**390,250**	-	-	-
Deferred tax movement not recognised	**(573,881)**	(1,581,671)	-	-
Annual crystallisation of deferred tax on revaluation surplus	**41,491**	8,854	-	-
	41,491	8,854	-	-
(Under)/Over provision in prior year	**(59)**	863	-	-
	41,432	9,717	-	-

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The Group has not recognised the following deferred tax (assets)/liabilities:

	GROUP	
	2015	2014
	RM	RM
Unabsorbed capital allowances	**(4,754,000)**	(4,425,000)
Unabsorbed tax losses	**(1,534,000)**	(1,534,000)
Property, plant and equipment	**412,000**	242,000
Others	**(26,000)**	(1,000)
	(5,902,000)	(5,718,000)

The amount and future availability of unabsorbed tax losses and unabsorbed capital allowances for which the related tax effects have not been accounted for at the end of the reporting period is as follows:

	GROUP	
	2015	2014
	RM	RM
Unabsorbed capital allowances	**19,016,000**	17,699,000
Unabsorbed tax losses	**6,134,000**	6,134,000

A local subsidiary of the Company has been granted pioneer status by the Malaysian Industrial Development Authority ("MIDA") for the design, development and manufacture of advanced automation modules/assemblies for digital data storage, medical instrument systems/devices and optoelectronics applications and related components ("Pioneer Products"). Under this incentive, 100% of the subsidiary's statutory income from the Pioneer Products is exempted from income tax for a period of 5 years (extendable for further 5 years) commencing from 2 April 2010. The subsidiary was granted a further extension of 5 years from 2 April 2015 until 1 April 2020.

The corporate tax rate will be reduced to 24% from the year of assessment 2016 as announced in the Malaysian Budget 2014. Consequently, deferred tax is measured using this tax rate.

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19. OTHER COMPREHENSIVE INCOME/(LOSS)

GROUP

	Before tax RM	Tax expense RM	Net of tax RM
2015			
Item that are or may be reclassified subsequently to profit or loss			
Foreign exchange differences for foreign operation	**638,832**	**-**	**638,832**
2014			
Item that will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment	8,264,831	(1,949,563)	6,315,268
Item that are or may be reclassified subsequently to profit or loss			
Foreign exchange differences for foreign operation	347,146	-	347,146
	8,611,977	(1,949,563)	6,662,414

20. LOSS PER SHARE

(a) **Basic loss per share**

The basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year calculated as follows:

	2015	2014
Loss for the financial year (RM)	**(1,523,789)**	(7,031,219)
Weighted average number of ordinary shares of RM0.10 each	**260,914,767**	240,250,146
Basic loss per share (sen)	**(0.58)**	(2.93)

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(b) **Diluted loss per share**

There is no diluted loss per share as the Company does not have any convertible financial instruments as at the end of the reporting period.

21. TREASURY SHARES

The details of the treasury shares during the last financial year are as follows:

	2014 No. of shares	2014 RM
Balance at beginning	8,940,100	1,232,597
Shares sold	(8,940,100)	(1,232,597)
Balance at end	-	-

The average sale price of the treasury shares in the open market was RM0.12 per share.

Details of the treasury shares sold were as follows:

Month	Sale price per share Lowest RM	Sale price per share Highest RM	Sale price per share Average RM	Number of shares sold	Total proceed RM
April 2014	0.12	0.12	0.12	8,940,100	1,070,312

There were no treasury shares held by the Company as at the end of the reporting period.

22. EMPLOYEE BENEFITS EXPENSE

	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
Salaries, wages, allowance and bonus	**5,931,031**	6,408,062	**-**	-
EPF	**378,362**	399,942	**-**	-
SOCSO	**96,268**	80,151	**-**	-
Fee	**317,383**	255,743	**246,000**	205,323
Other staff related expenses	**676,959**	696,427	**-**	-
	7,400,003	7,840,325	**246,000**	205,323

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Directors' remuneration

Included in the employee benefits expense is directors' remuneration as shown below:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Executive directors of the Company:				
- Salaries, allowance and bonus	**364,212**	833,583	-	-
- EPF	**42,164**	66,511	-	-
- Fee	**102,000**	89,226	**102,000**	89,226
	508,376	989,320	**102,000**	89,226
Executive directors of the subsidiaries:				
- Salaries, allowance and bonus	-	24,202	-	-
- EPF	-	1,210	-	-
- Fee	**71,383**	50,420	-	-
	71,383	75,832	-	-
Non-executive directors of the Company:				
- Fee	**144,000**	116,097	**144,000**	116,097
Total directors' remuneration	**723,759**	1,181,249	**246,000**	205,323

The directors' remuneration can be further analysed as:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Present directors				
- Executive	**579,759**	401,033	**102,000**	30,000
- Non-executive	**126,000**	81,871	**126,000**	81,871
	705,759	482,904	**228,000**	111,871
Past director				
- Executive	-	664,119	-	59,226
- Non-executive	**18,000**	34,226	**18,000**	34,226
	18,000	698,345	**18,000**	93,452
	723,759	1,181,249	**246,000**	205,323

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23. SEGMENT INFORMATION

Operating Segments

Management determines the operating segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the manufacture of moulds, tools/tooling, dies, jigs and fixtures and car spare parts.

Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas non-current assets are based on the geographical location of assets.

	External Revenue		**Non-current Assets**	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Malaysia	**2,834,044**	1,465,905	**22,586,237**	23,830,632
Thailand	**5,321,975**	4,847,044	**3,539,289**	2,548,031
United States of America	**8,310,582**	6,827,495	**-**	-
Other countries	**1,482,949**	691,216	**-**	-
	17,949,550	13,831,660	**26,125,526**	26,378,663

Information about major customers

The Group has **2** (2014: 2) major customers that contributed 10% or more of the Group revenue and the total revenue generated from these major customers amounted to **RM7,544,821** (2014: RM7,134,057).

24. RELATED PARTY DISCLOSURES

(i) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making any financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The Group has related party relationship with its subsidiaries, key management personnel and the following parties:

Related party		**Relationship**
Zoomic Automation (M) Sdn. Bhd. ("ZASB")	:	A company in which a director of the Company, Mr. Teh Eng Huat, has financial interest.
Zoomic Technology Thailand Co., Ltd. ("ZTTCL")	:	A company in which a director of the Company, Mr. Teh Eng Huat, has financial interest.
Zestek Integration Sdn. Bhd. ("ZISB")	:	A company in which person connected to a director of the Company, Mr. Khoo Hun Sniah, has financial interest.

(ii) **Related party transactions**

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Sales to related parties				
- ZASB	**415,240**	210,940	-	-
- ZTTCL	**311,008**	196,849	-	-
Purchases from related parties				
- ZTTCL	**235,899**	87,986	-	-
- ZASB	**202,207**	-	-	-
Upkeep of machinery paid to a related party				
- ZISB	**111,060**	-	-	-
Subscription for shares in a subsidiary	-	-	**312,500**	591,314
Management fee charge to a subsidiary	-	-	**30,000**	-

(iii) **Compensation of key management personnel**

The remuneration of the directors and other members of key management during the financial year is as follows:

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	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Salaries and other short-term employee benefits				
- Directors	**723,759**	1,181,249	**246,000**	205,323
- Other key management personnel	**364,795**	513,220	**-**	-
	1,088,554	1,694,469	**246,000**	205,323

25. CONTINGENT LIABILITIES (UNSECURED)

	COMPANY	
	2015	2014
	RM	RM
Corporate guarantee given to licensed banks for banking facilities granted to a subsidiary		
- Limit	**9,595,400**	11,507,400
- Utilisation	**4,614,406**	6,265,993

The corporate guarantee does not have a determinable effect on the terms of the credit facilities due to the bank's requirement of the corporate guarantee as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

26. CAPITAL COMMITMENT

	COMPANY	
	2015	2014
	RM	RM
Authorised but not contracted for:		
- Investment in a subsidiary (Note 30(i))	**15,900,000**	-

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27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as loans and receivables ("L&R") and financial liabilities measured at amortised cost ("FL").

	Carrying Amount RM	L&R RM	FL RM
GROUP			
2015			
Financial assets			
Trade and other receivables	**5,024,191**	**5,024,191**	**-**
Cash and bank balances	**2,136,266**	**2,136,266**	**-**
	7,160,457	**7,160,457**	**-**
Financial liabilities			
Trade and other payables	**3,868,196**	**-**	**3,868,196**
Borrowings	**5,299,778**	**-**	**5,299,778**
	9,167,974	**-**	**9,167,974**
2014			
Financial assets			
Trade and other receivables	3,847,184	3,847,184	-
Cash and bank balances	4,911,189	4,911,189	-
	8,758,373	8,758,373	-
Financial liabilities			
Trade and other payables	2,977,964	-	2,977,964
Borrowings	6,385,264	-	6,385,264
	9,363,228	-	9,363,228
COMPANY			
2015			
Financial assets			
Other receivables	**13,249,781**	**13,249,781**	**-**
Cash and bank balances	**34,930**	**34,930**	**-**
	13,284,711	**13,284,711**	**-**

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	Carrying Amount RM	L&R RM	FL RM
Financial liabilities			
Other payables	**104,257**	**-**	**104,257**
2014			
Financial assets			
Other receivables	9,253,723	9,253,723	-
Cash and bank balances	2,581,129	2,581,129	-
	11,834,852	11,834,852	-
Financial liabilities			
Other payables	65,559	-	65,559

27.2 **Financial risk management**

The Group is exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

27.3 **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given.

27.3.1 **Trade receivables**

The Group typically gives its customers credit terms of 30 to 90 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by the carrying amount disclosed in Note 8 to the financial statements.

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The ageing of trade receivables of the Group is as follows:

	2015 **RM**	2014 RM
Not past due	**4,080,455**	3,356,182
1 to 30 days past due	**245,500**	327,474
31 to 120 days past due	**63,249**	109,052
Past due more than 120 days	**339,495**	-
	648,244	436,526
	4,728,699	3,792,708

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to **RM648,244** (2014: RM436,526) that are past due as at the end of the reporting period but not impaired as the management is of the view that these debts are recoverable in due course.

Management determines credit risk concentrations in terms of counterparties and geographical areas. As at the end of the reporting period, there were **4** (2014: 2) major customers that accounted for 10% or more of the Group's trade receivables and the total outstanding balances due from these major customers amounted to **RM3,352,334** (2014: RM2,169,088). The credit risk concentration profile by geographical areas of trade receivables is as follows:

	2015 **RM**	2014 RM
Malaysia	**1,700,515**	384,049
Thailand	**1,586,128**	1,245,475
United States of America	**1,014,653**	1,998,034
Others	**427,403**	165,150
	4,728,699	3,792,708

27.3.2 **Intercompany balance**

The Company provides advances to its subsidiaries. The Company monitors the results of its subsidiaries regularly.

The maximum exposure to credit risk is represented by its carrying amount disclosed in Note 8.

As at the end of the reporting period, there was no indication that the advances to these subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

27.3.3 **Financial guarantees**

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to its subsidiary. The Company monitors on an ongoing basis the results of its subsidiary and repayments made by them. The maximum exposure to credit risk is disclosed in Note 25.

27.4 **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

The financial liabilities of the Company as at the end of the reporting period will mature in less than one year based on the carrying amounts reflected in the financial statements.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2015						
Non-derivative financial liabilities						
Interest bearing borrowings	5,299,778	6,018,284	2,009,916	1,362,439	2,645,929	-
Trade and other payables	3,868,196	3,868,196	3,868,196	-	-	-
	9,167,974	9,886,480	5,878,112	1,362,439	2,645,929	-

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	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
2014						
Non-derivative financial liabilities						
Interest bearing borrowings	6,385,264	7,444,500	2,181,483	1,677,908	3,077,213	507,896
Trade and other payables	2,977,964	2,977,964	2,977,964	-	-	-
	9,363,228	10,422,464	5,159,447	1,677,908	3,077,213	507,896

27.5 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amounts as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	**2015 RM**	2014 RM
Fixed rate instruments				
Financial assets	**261,405**	251,241	-	-
Financial liabilities	**1,387,375**	1,801,934	-	-
Floating rate instruments				
Financial liabilities	**3,912,403**	4,583,330	-	-

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss nor does it designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

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Sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have increased the Group's loss before tax by **RM10,674** (2014: RM4,998) and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market conditions. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

27.6 Foreign currency risk

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in a currency other than the Group's respective functional currencies of the Group entities. The Group also hold cash and bank balances denominated in foreign currencies for working capital purposes. The currency giving rise to this risk is primarily the US Dollar ("USD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

	Denominated in USD	
	2015	2014
	RM	RM
Trade and other receivables	**1,632,497**	2,199,270
Cash and cash equivalents	**551,482**	717,421
Trade payables	**(32,923)**	(17,819)
Net exposure	**2,151,056**	2,898,872

Sensitivity analysis for foreign currency risk

A 10% strengthening of the RM against the USD as at the end of the reporting period would have increased the Group's loss before tax by **RM215,106** (2014: RM289,887) and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

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27.7 Fair value information

The carrying amounts of the Group's and Company's cash and cash equivalents, short term receivables and payables and borrowings as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amount of the non-current portion of finance lease liabilities (Note 11) is reasonable approximation of fair values due to the insignificant impact of discounting.

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

As at the end of the reporting period, the Group has not breached any of the debt covenants imposed by its lenders.

29. SIGNIFICANT EVENTS

(i) On 27 February 2015, the Company has entered into a Heads of Agreement with Cash Support Sdn. Bhd. ("CSSB") for the proposed utilisation of Star Acres Sdn. Bhd. ("Star Acres"), a newly acquired wholly-owned subsidiary of the Company, as the entity to form a joint venture with CSSB ("Proposed Joint Venture") to acquire from CSSB a fifty years registered lease under the National Land Code 1965 over a portion of land measuring approximately 9.16 acres in Malacca. This forms part of the corporate proposals as disclosed in Note 30(ii).

As at the date of this report, the Proposed Joint Venture is yet to be finalised pending approval from the relevant authorities.

(ii) On 26 November 2015, Star Acres has entered into a Memorandum of Understanding with Sanderson Group Operational HQ Sdn. Bhd. to collaborate on the development of a theme park on the project land as mentioned in item (i) above.

SJ GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY

30. SUBSEQUENT EVENTS

(i) On 19 January 2016, Star Acres had entered into a subscription and shareholders' agreement with CSSB to subscribe for 13,566,000 shares, representing 51% of the equity interest in Cash Support Property Sdn. Bhd., a wholly-owned subsidiary of CSSB, for a total cash consideration of RM15,900,000. As at the date of this report, the subscription is yet to complete subject to the fulfilment of certain conditions precedent by CSSB.

(ii) On even date, the Company announced to Bursa Malaysia Securities Berhad ("Bursa Securities") the following Proposals:

(a) Proposed joint venture between the Company's wholly-owned subsidiary, Star Acres, and CSSB to develop and carry on the business of theme park ("Proposed Investment");
(b) Proposed diversification of the existing business of the Group to include the development and business of theme park ("Proposed Diversification");
(c) Proposed reduction of the issued and paid-up share capital of the Company via the cancellation of RM0.05 of the par value of the ordinary share of RM0.10 each to RM0.05 each in the Company pursuant to Section 64 of the Companies Act, 1965 ("Proposed Par Value Reduction");
(d) Proposed share consolidation of every two (2) ordinary shares of RM0.05 each into one (1) new ordinary share of RM0.10 each in the Company after the Proposed Par Value Reduction ("Proposed Share Consolidation");
(e) Proposed renounceable rights issue of up to 418,471,060 shares ("Rights Shares") on the basis of three (3) Rights Shares for every one (1) existing share held in the Company, together with up to 278,980,706 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares subscribed for ("Proposed Rights Issue of Shares with Warrants");
(f) Proposed establishment of a new share issuance scheme of up to thirty percent (30%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at any one time during the duration of the scheme for the eligible directors and employees of the Group (excluding dormant subsidiaries) ("Proposed SIS");
(g) Proposed increase in the authorised share capital of the Company from RM50,000,000 comprising 500,000,000 ordinary shares to RM200,000,000 comprising 2,000,000,000 ordinary shares ("Proposed Increase in Authorised Share Capital"); and
(h) Proposed amendment to the Memorandum of Association of the Company ("Proposed MOA Amendment").

Bursa Securities had vide its letter dated 18 February 2016 approved the Proposed Share Consolidation.

GRANT THORNTON
FOR IDENTIFICATION PURPOSES ONLY

(iii) On 11 March 2016, the Company announced that the application for the admission of the Warrants to the Official List of the ACE Market of Bursa Securities as well as for the listing of and quotation for the Rights Shares, SIS Shares, Warrants and the new MQ Shares to be issued pursuant to the exercise of the Warrants on the ACE Market of Bursa Securities has been submitted to Bursa Securities.

31. COMPARATIVE FIGURES

In the past, the Group and the Company had presented the analysis of expenses recognised in profit or loss using the classification based on their nature. However, during the financial year under review, the directors have decided to change the analysis based on their function in order to provide information that is more reliable and relevant for decision making process.

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FOR IDENTIFICATION PURPOSES ONLY

DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of accumulated losses of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants are as follows:

	GROUP		COMPANY	
	2015	2014	**2015**	2014
	RM	RM	**RM**	RM
Total accumulated losses of the Company and its subsidiaries:				
- Realised	**(28,261,057)**	(24,982,181)	**(12,101,034)**	(10,336,509)
- Unrealised	**(160,299)**	(5,849)	-	-
	(28,421,356)	(24,988,030)	**(12,101,034)**	(10,336,509)
Less: Consolidation adjustments	**11,671,314**	9,761,777	-	-
Total accumulated losses as per statements of financial position	**(16,750,042)**	(15,226,253)	**(12,101,034)**	(10,336,509)

GRANT THORNTON FOR IDENTIFICATION PURPOSES ONLY

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 JUNE 2016

		INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
		CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
		30-Jun-16 RM '000	30-Jun-15 RM '000	30-Jun-16 RM '000	30-Jun-15 RM '000
1	Revenue	3,987	4,042	7,717	9,138
2	Profit/(Loss) before tax	26	(910)	(1,775)	(900)
3	Profit/(Loss) for the period	26	(910)	(1,775)	(900)
4	Net Profit/(loss) attributable to ordinary equity holders of the parent	189	(1,059)	(1,999)	(542)
5	Basic Profit/(loss) per share	0.01	(0.36)	(0.64)	(0.35)
6	Porposed/Declared dividend per share	-	-	-	-

		AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
		30-Jun-16	30-Jun-15
7	Net assets per share attributable to ordinary equity holders of the parent (RM)	0.09	0.10

Note: For full text of the above announcement, please access the Bursa Malaysia website at www.bursamalaysia.com

** The Basic Earnings per share is computed based on the following:

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Net (loss)/profit for the period - RM	25,758	(909,935)	(1,774,540)	(899,618)
Number of shares in issue	278,980,707	253,618,907	278,980,707	253,618,907
Profit/(Loss) per share (sen) - Basic	0.01	(0.36)	(0.64)	(0.35)

CERTIFIED TRUE COPY

DIRECTOR ; LIM SOON SENG
MQ TECHNOLOGY BERHAD

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016 (*CONT'D*)

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2016
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Jun-16 RM	PRECEDING YEAR CORRESPONDING QUARTER 30-Jun-15 RM	CURRENT YEAR TO DATE 30-Jun-16 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-15 RM
Revenue	3,986,776	4,042,147	7,716,789	9,138,495
Cost of sales	(2,374,776)	(3,755,056)	(6,290,736)	(7,637,511)
Gross Profit/(loss)	1,612,000	287,091	1,426,053	1,500,984
Other income	47,321	45,301	61,688	95,372
Operating expenses	(1,552,378)	(1,139,955)	(3,092,509)	(2,290,449)
Finance cost	(81,185)	(102,372)	(169,772)	(205,525)
Profit/(Loss) before tax	25,758	(909,935)	(1,774,540)	(899,618)
Tax income	-	-	-	-
Net Profit/(loss) for the period	25,758	(909,935)	(1,774,540)	(899,618)
Other comprehensive Profit/(loss) after tax:	-	-		
Exchange translation differences	163,256	(149,381)	(224,235)	357,885
Other comprehensive profit for the period, net of tax	163,256	(149,381)	(224,235)	357,885
Total comprehensive income/(loss) for the period	189,014	(1,059,316)	(1,998,775)	(541,733)
Attributable to:				
Equity holders of the Company	189,014	(1,059,316)	(1,998,775)	(541,733)
Earnings per share - (Sen)				
Basic	0.01	(0.36)	(0.64)	(0.35)
Diluted	NA	NA	NA	NA

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016 (*CONT'D*)

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016
(The figures have not been audited)

	UNAUDITED AS AT 30-Jun-16 RM	AUDITED AS AT 31-Dec-15 RM
NON-CURRENT ASSETS		
Property, plant and equipment	24,234,545	26,125,526
	24,234,545	26,125,526
CURRENT ASSETS		
Inventories	1,922,372	1,163,322
Trade and other receivables	10,869,614	7,901,089
Current tax assets	491,318	433,339
Cash and bank balances	2,728,521	2,136,266
	16,011,825	11,634,016
CURRENT LIABILITIES		
Trade payables	3,463,561	3,868,196
Borrowings	6,509,914	1,692,366
	9,973,475	5,560,562
NET CURRENT ASSETS	6,038,350	6,073,454
NON-CURRENT LIABILITIES		
Borrowings	3,680,102	3,607,412
Deferred tax liabilities	1,899,218	1,899,218
	5,579,320	5,506,630
NET ASSETS	**24,693,575**	**26,692,350**
FINANCED BY		
Share capital	27,898,070	27,898,071
Share premium	8,257,853	8,257,853
Exchange translation reserve	746,965	971,200
Revaluation Reserve	6,315,269	6,315,268
Accumulated losses	(18,524,582)	(16,750,042)
SHAREHOLDERS' EQUITY	**24,693,575**	**26,692,350**
Net assets ("NA") per share (RM)	0.09	0.10

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016
(The figures have not been audited)

		Non-Distributable			Distributable	
	Share Capital	Share Premium	Exchange Translation Reserve	Assets Revaluation Reserve	(Accumulated Losses)	Total
	RM	RM	RM	RM	RM	RM
Period ended 30 June 2016						
At 1 January 2016	27,898,070	8,257,853	971,200	6,315,269	(16,750,042)	26,692,350
Exchange translation differences	-	-	(224,235)	-	-	(224,235)
Private Placement	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-
Resale of treasury shares	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	(1,774,540)	(1,774,540)
Total comprehensive income for the year	-	-	(224,235)	-	(1,774,540)	(1,998,775)
				-		
At 30 June 2016	27,898,070	8,257,853	746,965	6,315,269	(18,524,582)	24,693,575
Period ended 31 December 2015						
At 1 January 2015	25,361,890	8,387,534	332,368	6,315,269	(15,226,253)	25,170,808
Exchange translation differences	-	-	638,832	-	-	638,832
Private Placement	2,536,180	-	-	-	-	2,536,180
Payment of Private Placement Expenses	-	(129,681)	-	-		(129,681)
Net loss for the year	-	-	-	-	(1,523,789)	(1,523,789)
Total comprehensive loss for the year	2,536,180	(129,681)	638,832	-	(1,523,789)	1,521,542
At 31 December 2015	27,898,070	8,257,853	971,200	6,315,269	(16,750,042)	26,692,350

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016 *(CONT'D)*

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2016
(The figures have not been audited)

	CURRENT YEAR TO DATE 30-Jun-16 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-15 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(1,774,540)	(899,618)
Adjustments for:		
Depreciation	1,757,913	1,551,749
Interest expense	169,772	205,525
Property, plant and equipment written off	-	3,263
Loss/(Gain) on disposal of property, plant and equipment	-	(35,769)
Unrealised loss/(gain) on foreign exchange	(33,598)	75,334
Interest income	(2,697)	(1,620)
Operating (loss)/profit before working capital changes	116,850	898,864
Increase/decrease in inventories	(1,213,188)	(425,784)
Increase/decrease in receivables	(2,700,919)	(619,223)
Decrease in payables	(259,001)	(558,226)
Cash used in operations	(4,056,258)	(704,370)
Income taxes refunded	-	
Income taxes paid	(73,060)	(122,195)
Net cash used in operating activities	(4,129,318)	(826,565)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(65,681)	(1,083,134)
Interest received	2,697	1,620
Proceeds from disposal of property, plant and equipment	-	8,500
Net cash used in investing activities	(62,984)	(1,073,014)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(169,772)	(205,525)
Drawdown of Term Loan	6,000,000	278,333
Repayment of term loans	(534,209)	(500,004)
Repayment of hire purchase obligations	(547,122)	(352,293)
Net cash generated/(used) in financing activities	4,748,897	(779,489)
Net decrease in cash and cash equivalents	556,595	(2,679,068)
Effect of exchange rate changes	35,660	43,951
Cash and cash equivalents brought forward	2,136,266	4,911,189
Cash and cash equivalents carried forward	2,728,521	2,276,073
Cash and cash equivalents comprise:		
Short-term funds	-	-
Cash and bank balances	2,728,521	2,276,073
	2,728,521	2,276,073

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016 (*CONT'D*)

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2016

A NOTES TO THE INTERIM FINANCIAL REPORT

A1 Basis of preparation of Interim Financial Report

These condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, Interim Financial Reporting in Malaysia, International Accounting Standard ("IAS") 34, Interim Financial Reporting and all the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all the information required for full annual financial statements and should be read in conjunction with the Group's financial statements for the financial year ended 31st December 2015.

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 Malaysian Financial Reporting Standards has been applied.

The adoptions of these standards, amendments and interpretations have no material impact to these interim financial statements.

A2 Seasonal or cyclical factors

There were no seasonal or cyclical factors affecting the results of the Group for the period under review.

A3 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group for the period under review.

A4 Material changes in estimates

There were no changes in the nature and amount of estimates reported in prior financial year that have a material effect in the period under review.

A5 Debt and equity securities

There have been no other issuance, cancellation, repurchases, resale and repayments of debts and equity securities during the quarter under review.

A6 Dividend paid

There was no dividend paid during the current financial quarter.

A7 Segment reporting

Business Segments

The Group operates in a single business segment, namely design and manufacturing of moulds, tools, dies, jigs, fixtures, advanced suspension tooling, progressive tooling, semiconductor cavity/encapsulation moulds for use in manufacturing and application in hard disk drives and semiconductor industries and design, development and manufacture of advanced automation modules/assemblies for digital data storage, medical instrument systems/devices and optoelectronics applications and related components. Accordingly, no industry segment information of the Group has been presented.

Geographical Segments

The business segment of the Group is managed principally in Malaysia and Thailand. The products are distributed mainly in Malaysia and to other Asia Pacific countries. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers whereas segment assets and capital expenditure are based on the geographical location of assets.

	SEGMENT REVENUE			
	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Jun-16	Preceding year corresponding quarter 30-Jun-15	Current year to date 30-Jun-16	Preceding year corresponding period 30-Jun-15
Malaysia	857,390	484,906	1,519,432	1,118,466
Thailand	1,915,875	2,221,132	2,993,583	3,340,465
Other Asia Pacific countries	328,875	14,098	1,014,079	335,141
United States of America	884,636	1,322,011	2,189,695	4,344,423
	3,986,776	4,042,147	7,716,789	9,138,495

	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Malaysia	33,083,159	27,053,724	57,209	222,573
Thailand	7,478,929	7,668,890	8,472	860,561
	40,562,088	34,722,614	65,681	1,083,134

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2016

A NOTES TO THE INTERIM FINANCIAL REPORT

A8 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the period unde review. As At 30 June 2016, property, plant and equipment at cost except for land and buildings and improvements which are stated at valuations less accumulated depreciation.

A9 Material events subsequent to the end of the quarter

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature that have arisen since 30 June 2016 to the date of this announcement which would substantially affect the financial results of the Group.

A10 Changes in the composition of the Group

There were no material changes in the composition of the Group during the period under review.

A11 Contingent liabilities

The Company has issued corporate guarantee to financial institutions for credit facilities granted to certain subsidiaries up to a total limit of approximately RM7,149,400 (2015: RM9,595,400) of which RM3,636,456 (2015: RM4,614,406) has been utilised as at the balance sheet date.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016 (*CONT'D*)

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2016

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Review of performance

For the quarter under review, Group 's revenue at RM 3.99 million showed a slight drop of RM 0.06 million. Precision tooling and die sets sales decreased by 30% compared to corresponding quarter in the preceding year but this drop was offset by increase in automation sales during the quarter under review. The decrease in tooling sales were mainly from the Thai subsidiary which decided to accept less orders for complex and unprofitable tooling orders. The gain in automation sales came from the Malaysian operations.

The Group recorded a net profit of RM 0.03 million for the quarter under review, a RM 0.93 million improvement compared to loss of RM 0.9 million in the previous year's corresponding quarter. The improved performance was due to better gross margins as a result of the Thai subsidiary to accept less complex tooling orders and also billings of automation projects which comprised mostly design and software with minimum hardware components during the quarter under review.

B2 Variation of results against immediate preceding quarter

The Group recorded profit before tax of RM 0.03 million compared to the loss before tax of RM 1.8 million in the preceding quarter. During the quarter under review, sales increased by RM0.2 million compared to preceding quarter. The sales increase is due to the completion and delivery of more automation project in quarter under review whereas automation sales were minimal for the preceding quarter. The better performance to achieve a small profit during the quarter under review was due higher sales margin and a substantial reduction in subcontracting which resulted in increased usage of internal capacity hence better margin compared to the preceding quarter.

B3 Prospects for the forthcoming financial year

The Group will continue to strengthen its core business by gaining new customers and higher sales as well as implement cost cutting measures. The Group's had successfully secured some new tooling and precision components customers and they have started increasing their orders in the second half of 2016. Together with more business coming from automation projects in the second half of 2016, future performance of the group manufacturing business expected to improve.The manufacturing operations in Malaysia had also commenced on the process of obtaining the AS9100 certification and making preparation to win precision components business from the aerospace sector

B4 Profit forecast and profit guarantee

The Group did not provide any profit estimate, forecast, projection, internal targets or profit guarantee in any public documents for the financial year ending 31 December 2015.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Jun-16 RM	Preceding year corresponding quarter 30-Jun-15 RM	Current year to date 30-Jun-16 RM	Preceding year corresponding period 30-Jun-15 RM
Tax based on results for the quarter/period:				
Malaysian income tax and deferred tax	-	-	-	-

The effective tax rate of the Group for the current period under review was lower than the statutory tax rates mainly due to a subsidiary, Microlead Precision Technology Sdn Bhd had been granted Pioneer Status by the Malaysian Industrial Development Authority in which 100% of the subsidiary's statutory income from Pioneer Products is exempted from income tax for a period of 5 years (extendable for further 5 years).

B6 Sale of unquoted investments and/or properties

There was no sale of unquoted investments or properties during the period under review.

B7 Purchase or Sale of quoted securities

There was no purchase or sale of quoted securities during the period under review.

B8 Status of Corporate Proposals

On 19 January 2016, TA Securities Holdings Berhad announced the following proposals on behalf of the Board of Directors of MQ:

(i) joint venture between MQ's wholly-owned subsidiary Star Acres Sdn Bhd, and Cash Support Sdn Bhd to develop and carry on the business of theme park; proposed joint venture between MQ's wholly-owned subsidiary, Star Acres Sdn Bhd, and Cash Support Sdn Bhd to develop and carry on the business of theme park;

(ii) diversification of the existing business of MQ and its subsidiaries ("MQ Group") to include the development and business of theme park;

(iii) reduction of the issued and paid-up share capital of MQ via the cancellation of RM0.05 of the par value of the ordinary share of RM0.10 each to RM0.05 each in MQ pursuant to Section 64 of the Companies Act, 1965 ("Par Value Reduction");

(iv) share consolidation of every two (2) ordinary shares of RM0.05 each into one (1) new ordinary share of RM0.10 each in MQ ("MQ Share") after the Par Value Reduction ("Share Consolidation");

(v) renounceable rights issue of up to 418,471,060 MQ Shares ("Rights Shares") on the basis of three (3) Rights Shares for every one (1) existing MQ Share held, together with up to 278,980,706 free detachable warrants ("Warrants") on the basis of two (2) Warrants for every three (3) Rights Shares subscribed for;

(vi) establishment of a new share issuance scheme ("SIS") of up to thirty percent (30%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at any one time during the duration of the scheme for the eligible directors and employees of MQ Group (excluding dormant subsidiaries);

(vii) increase in the authorised share capital of MQ from RM50,000,000 comprising 500,000,000 MQ Shares to RM200,000,000 comprising 2,000,000,000 MQ Shares; and

(viii) amendment to the Memorandum of Association of MQ

(collectively referred to as the "Proposals")

Bursa Malaysia Securities Berhad ("Bursa Securities") had on 18 February 2016 approved the Share Consolidation.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2016

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

Subsequently, Bursa Securities had vide its letter dated 4 May 2016 approved the following:
(i) admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants; and
(ii) listing of and quotation for the Rights Shares and new MQ Shares to be issued pursuant to the exercise of the Warrants and SIS

on the ACE Market of Bursa Securities.

MQ's shareholders had approved the Proposals, at the extraordinary general meeting held on 13 June 2016.

TA Securities, had on 10 August 2016 announced on behalf of MQ that the High Court of Malaya, Penang had on even date granted an

TA Securities, had on 23 August 2016 announced on behalf of MQ that an office copy of the sealed order of the High Court of Malaya, Penang confirming the Par Value Reduction has been lodged with the Companies Commission of Malaysia on 22 August 2016. The Par Value Reduction has therefore taken effect and is deemed completed on this date.

B9 Group's borrowings and debt securities

	AS AT 30-Jun-16 RM
Secured	
Short term borrowings	6,509,914
Long term borrowings	3,680,102
	10,190,016

B10 Realised and Unrealised Profit or Losses

	As at 30-Jun-16	As at 31-Dec-15
Total retained profits of the Company and its subsidiaries:-		
- Realised loss	(30,304,307)	(28,261,057)
- Unrealised profit	33,598	(160,299)
	(30,270,709)	(28,421,356)
Less: Consolidation adjustments and eliminations	11,746,127	11,671,314
Total Accumulated losses as per statement of financial position	(18,524,582)	(16,750,042)

B11 Loss for the Period

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Jun-16 RM	Preceding year corresponding quarter 30-Jun-15 RM	Current year to date 30-Jun-16 RM	Preceding year corresponding period 30-Jun-15 RM
Loss for the period is arrived at after crediting:				
Interest income	2,697	1,620	2,813	1,920
Other income	47,321	45,301	61,688	95,372
Gain on disposal of property, plant and equipment	-	35,769	-	35,769
Unrealised Foreign exchange gain or (Loss)	(97,097)	75,334	(33,598)	123,461
and after charging:				
Interest expense	81,185	205,525	169,772	308,678
Depreciation	876,955	677,346	1,757,913	1,551,749

There were no gain or loss on disposal of quoted or unquoted investments or properties, gain or loss on derivatives or exceptional items for current quarter and financial period end 30 June 2016 (31 December 2015: Nil)

B12 Off balance sheet financial instruments
The Group does not have any derivative financial instruments as at the date of this report.

B13 Material litigation
There were no material litigation pending since the last the last annual balance sheet date until the date of this announcement.

B14 Dividends
No dividend has been declared or paid by the Company in this financial quarter.

B15 Loss per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Jun-16	Preceding year corresponding quarter 30-Jun-15	Current year to date 30-Jun-16	Preceding year corresponding period 30-Jun-15
Net loss attributable to shareholders (RM)	25,758	(909,935)	(1,774,540)	(899,618)
Weighted average number of ordinary shares in issue	278,980,707	253,618,907	278,980,707	253,618,907
Loss per share - (Sen)				
Basic	0.01	(0.36)	(0.64)	(0.35)
Diluted	NA	NA	NA	NA

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE SIX (6)-MONTH PERIOD ENDED 30 JUNE 2016 (*CONT'D*)

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2016

B DISCLOSURE REQUIREMENTS AS SET OUT IN APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B16 Auditor's report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 December 2015 in their report dated 18 April 2016.

B17 Authorise for issue

The interim financial statements were authorised for issue by the Board of Directors on 15 August 2016.

INFORMATION ON CSPSB

1. HISTORY AND BUSINESS

CSPSB was incorporated in Malaysia on 24 April 2015 as a private limited company under the Act. As at the LPD, CSPSB is dormant and has yet to commence business operations. The intended principal activity of CSPSB is to develop and carry on the business of theme park.

2. SHARE CAPITAL

As at the LPD, the share capital of CSPSB are as follows:

	RM
Authorised share capital	
400,000 ordinary shares of RM1.00 each	400,000
Issued and paid-up share capital	
100 ordinary shares of RM1.00 each	100

3. DIRECTORS

As at the LPD, the particulars of the directors and their respective shareholdings in CSPSB are as follows:

			Direct		Indirect	
Name	**Nationality**	**Designation**	**No. of CSPSB Shares**	**%**	**No. of CSPSB Shares**	**%**
Dato' Sri Dr Teh Chee Teong	Malaysian	Director	-	-	100[(1)]	100
Datin Sri Wai Ai Fan	Malaysian	Director	-	-	100[(2)]	100
Quah Eng Hock	Malaysian	Director	1	*Neg*	-	-

Notes:

Neg *Negligible*

(1) *Deemed interested by virtue of his equity interest in CSSB pursuant to Section 6A of the Act.*

(2) *Deemed interested by virtue of her spouse's equity interests in CSSB pursuant to Section 6A of the Act.*

4. SUBSTANTIAL SHAREHOLDERS

As at the LPD, CSPSB is a wholly-owned subsidiary of CSSB.

5. SUBSIDIARY AND ASSOCIATED COMPANIES

As at the LPD, CSPSB does not have any subsidiary nor associated company.

6. SUMMARY OF THE HISTORICAL FINANCIAL INFORMATION OF CSPSB

A summary of the financial statement of CSPSB for the latest audited financial period from 24 April 2015 (date of incorporation) to 31 December 2015 is as follow:

	Audited financial period from 24 April 2015 to 31 December 2015 RM
Revenue	-
Cost of sales	-
GP	-
Other operating income	87
Administrative expenses	(5,093)
LBT	(5,006)
Taxation	(30)
LAT	(5,036)
Loss attributable to :	
Equity holders of the Company	(5,036)
EBITDA	
Weighted average number of CSPSB Shares	100
Number of CSPSB Shares in issue	100
Basic LPS (RM)	50.36
Diluted LPS (RM)	N/A*(1)*
GP margin (%)	N/A*(2)*
LBT margin (%)	N/A*(2)*
LAT margin (%)	N/A*(2)*

Notes:

(1) Not applicable as there are no dilutive potential ordinary shares.

(2) Not applicable as CSPSB is dormant and has yet to commence business operations. As such, no revenue was generated by CSPSB during the financial period from 24 April 2015 to 31 December 2015.

7. MATERIAL CONTRACTS

CSPSB has not entered into any contracts which are or may be material (not being contract entered into in the ordinary course of business of CSPSB) since its incorporation up to the date of this AP, except for the Letter, the SPA and the supplemental agreement dated 18 July 2016 entered into between CSSB and CSPSB wherein the parties mutually agreed to extend the cut-off date of the SPA from 19 July 2016 to 19 January 2017 for the parties to obtain, fulfil or waive the conditions precedent pursuant to the SPA.

8. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, CSPSB is not engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of CSPSB and the directors of CSPSB are not aware of any proceedings, pending or threatened, against CSPSB.

9. MATERIAL COMMITMENTS

Save as disclosed below, the directors of CSPSB are not aware of any material commitment incurred or known to be incurred by CSPSB, which upon being enforceable, may have material impact on the financial position of CSPSB as at the LPD:

	(RM'000)
Purchase Consideration	28,300

10. CONTINGENT LIABILITIES

As at the LPD, the directors of CSPSB are not aware of any contingent liability incurred or known to be incurred by CSPSB, which upon becoming enforceable, may have material impact on the financial position of CSPSB.

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(PREPARED FOR INCLUSION IN THIS ABRIDGED PROSPECTUS)

18 OCT 2016

SJ Grant Thornton (AF:0737)
Level 11 Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

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F +603 2691 5229
www.gt.com.my

The Board of Directors
MQ Technology Berhad
Plot 86-B, Lintang Bayan Lepas 9
Bayan Lepas Industrial Park 4
11900 Bayan Lepas
Penang

Dear Sirs,

ACCOUNTANTS' REPORT

CASH SUPPORT PROPERTY SDN BHD

This Report has been prepared by us, an approved company auditor, for inclusion in the Abridged Prospectus of MQ Technology Berhad ("MQ" or the "Company") in connection with your Company's subscription for shares in Cash Support Property Sdn Bhd ("CSPSB") via a wholly-owned subsidiary, Star Acres Sdn. Bhd. ("SASB") for a total subscription consideration of RM15,900,000 as set out in the subscription and shareholders' agreement dated 19 January 2016 (hereinafter referred to as the "Subscription Consideration").

The historical financial information ("Financial Information") as set out in Section 5 of this Report comprises the statement of financial position of CSPSB as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 24 April 2015 (date of incorporation) to 31 December 2015, and a summary of the significant accounting policies and other explanatory information.

The Financial Information has been prepared based on the Malaysian Financial Reporting Standards ("MFRS") as indicated in Section 5 of this Report on the basis set out thereto.

Directors' Responsibility

The directors of the CSPSB are responsible for the preparation of the true and fair presentation of the Financial Information of CSPSB in accordance with MFRS. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the Financial Information that are free from material misstatements whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the Financial Information based on our examination and report our opinion to you. We have carried out independent audit procedures on the Financial Information for the financial period ended 31 December 2015 in accordance with Malaysian Approved Standards on Auditing.

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ACCOUNTANTS' REPORT (cont'd)

REPORT BY THE REPORTING ACCOUNTANTS (cont'd)

Opinion on Financial Information

In our opinion, the Financial Information of CSPSB for the financial period ended 31 December 2015 gives a true and fair view of the state and affairs of CSPSB as at 31 December 2015 and of its results and cash flows for the financial period then ended in accordance with MFRS.

Other Matters

This Report is issued for the sole purpose of complying with the Prospectus Guidelines – Abridged Prospectus issued by the Securities Commission Malaysia ("Securities Commission") in connection with the Subscription and should not be relied upon for any other purposes. Therefore, this Report is not appropriate in other jurisdiction and should not be use or relied upon for any other purpose other than the Subscription described above. We accept no duty or responsibility to and deny any liability to any party in respect of any use of, or reliance on, this Report in connection with any type of transaction, including the sale of securities other than pursuant to the Subscription.

Yours faithfully,

SJ Grant Thornton
No. AF: 0737
Chartered Accountants

John Lau Tiang Hua, DJN
No. 1107/03/18 (J)
Chartered Accountant

Penang

Chartered Accountants
Member of Grant Thornton International Ltd

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ACCOUNTANTS' REPORT (cont'd)

1. CONTENTS OF THIS REPORT

This Report includes the following sections:

No.	Description	Section of this Report
i.	Abbreviations	2.0
ii.	General information	3.0
iii.	Dividends	4.0
iv.	Audited historical financial information	5.0
v.	Events after the reporting period	6.0
vi.	Financial statements	7.0

2. ABBREVIATIONS

Unless the context otherwise requires or the term is defined otherwise, the following abbreviation and terms shall bear the same meaning as set out below:

CSPSB	:	Cash Support Property Sdn Bhd
CSSB	:	Cash Support Sdn Bhd
FPE	:	Financial period ended
MFRS	:	Malaysian Financial Reporting Standards
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
PERS	:	Private Entities Reporting Standards
SASB	:	Star Acres Sdn Bhd, the wholly-owned subsidiary of MQ

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ACCOUNTANTS' REPORT (cont'd)

3. GENERAL INFORMATION

3.1 Cash Support Property Sdn Bhd

CSPSB is a private limited liability company, incorporated and domiciled in Malaysia. It was incorporated on 24 April 2015 under the Companies Act, 1965 in Malaysia ("Act"). CSPSB has yet to commence business operations since its incorporation. Its intended principal activity is to develop and carry on the business of theme park.

The registered office of CSPSB is located at No. 29-2, Jalan 46A/26, Taman Sri Rampai, 533300 Kuala Lumpur.

CSPSB is a wholly-owned subsidiary of CSSB, a company incorporated and domiciled in Malaysia.

The issued and fully paid-up share capital of CSPSB up to the date of this report are summarised below:

	RM
Authorised share capital	
400,000 ordinary shares of RM1.00 each	400,000
Issued and paid-up share capital	
100 ordinary shares of RM1.00 each	100

3.2 Details of the Subscription Consideration

On 19 January 2016, SASB entered into the subscription and shareholders' agreement ("SSA") with CSSB for the subscription of 13,566,000 ordinary shares of RM1 each in CSPSB ("Subscription Shares") by SASB at a subscription price of RM15,900,000, representing 51% equity interest in CSPSB while the remaining 49% equity interest in CSPSB will be held by CSSB. Further details of the SSA can be found in the Abridged Prospectus.

4. DIVIDENDS

CSPSB has not paid or declared any dividend since its date of incorporation.

5. AUDITED HISTORICAL FINANCIAL INFORMATION

The first set of financial statements of CSPSB for the 9 months FPE 31 December 2015 were audited by SY Lee & Co.

The auditors' report of the said financial statements were not subject to any qualification or modification. However, the auditors have drawn attention to the CSPSB's preparation of financial statements as a going concern notwithstanding that the financial position of CSPSB shows a deficiency in working capital and accumulated loss.

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)**

5.1 **Statement of Compliance**

The Financial Information of CSPSB as presented in Section 5.4 for the 9 months FPE 31 December 2015 is prepared based on the audited financial statements of CSPSB for the FPE under review which were prepared in accordance with PERS, were converted to comply with MFRS and IFRS, for the purpose of this report.

5.2 **Basis of Preparation of Historical Financial Information**

5.2.1 **Basis of Measurement**

The financial statements of CSPSB are prepared under the historical cost convention and on a going concern basis unless otherwise indicated in the summary of accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by CSPSB.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

5.2.2 **Standards Issued But Not Yet Effective**

The following are new MFRS and Amendments to MFRS which have been issued but not yet effective and have not been applied by CSPSB.

Effective for annual periods beginning on or after 1 January 2016
MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101 Disclosure Initiative
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants
Amendments to MFRS 127 Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012–2014 Cycle

Effective for annual periods beginning on or after 1 January 2018
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)**

5.2 **Basis of Preparation of Historical Financial Information (Cont'd)**

5.2.2 **Standards Issued But Not Yet Effective (Cont'd)**

Effective for annual periods beginning on or after 1 January 2019
MFRS 16 Leases

Effective date yet to be confirmed
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards is not expected to have any material impact to the financial statements of CSPSB.

5.2.3 **Significant Accounting Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

5.3 **Significant Accounting Policies**

The accounting policies set out below have been applied consistently to the periods presented in this Report.

5.3.1 **Financial Instruments**

(i) **Initial Recognition and Measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, CSPSB becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

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ACCOUNTANTS' REPORT (cont'd)

5. AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)

5.3 Significant Accounting Policies (Cont'd)

5.3.1 Financial Instruments (Cont'd)

(ii) Financial Instrument Categories and Subsequent Measurement

Financial Assets

Loans and Receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

All financial assets are subject to review for impairment.

Financial Liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

(iii) Offsetting of financial instrument

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(iv) Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control of substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)**

5.3 **Significant Accounting Policies (Cont'd)**

5.3.2 **Cash and Cash Equivalents**

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

5.3.3 **Provisions**

Provisions are recognised when CSPSB has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

5.3.4 **Income Tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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ACCOUNTANTS' REPORT (cont'd)

5. AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)

5.3 Significant Accounting Policies (Cont'd)

5.3.5 Goods and Services Tax

Goods and Services Tax ("GST") is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input tax that a company pays on business purchases is offset against output tax.

Revenue, expenses and assets are recognised net of GST except:

- where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

5.3.6 Share Capital, Share Issuance Expenses and Dividends

An equity instrument is any contract that evidences a residual interest in the assets of CSPSB after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued.

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared.

Costs directly attributable to the issuance of instruments classified as equity are recognised as a deduction from equity.

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)**

5.4 **CSPSB**

(a) **Statement of financial position**

	NOTE	2015 RM
ASSETS		
Current assets		
Cash and bank balances		9,494
EQUITY AND LIABILITIES		
Share capital	5.4.1	100
Accumulated loss		(5,036)
		(4,936)
Current liabilities		
Other payables	5.4.2	12,100
Amount due to holding company	5.4.3	2,300
Current tax liabilities		30
		14,430
TOTAL EQUITY AND LIABILITIES		9,494

(b) **Statement of comprehensive income**

	NOTE	24 April 2015 (date of incorporation) to 31 December 2015 RM
Revenue		-
Other income		87
Administrative expenses		(5,093)
Loss before tax	5.4.4	(5,006)
Tax expense	5.4.5	(30)
Net loss, representing total comprehensive loss for the financial period		(5,036)

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (Cont'd)**

5.4 **CSPSB (Cont'd)**

(c) **Statement of changes in equity**

	Share Capital RM	Accumulated Loss RM	Total RM
Balance at 24 April 2015 (date of incorporation)	100	-	100
Net loss, representing total comprehensive loss for the financial period	-	(5,036)	(5,036)
Balance at 31 December 2015	100	(5,036)	(4,936)

(d) **Statement of cash flow**

	24 April 2015 (date of incorporation) to 31 December 2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	(5,006)
Adjustment for:	
Interest income	(87)
Operating loss before working capital changes	(5,093)
Increase in payables	14,400
Cash from operation	9,307
Interest received	87
Net cash from operating activities	9,394
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of shares	100
CASH AND BANK BALANCES AT END	9,404

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

5.4 **CSPSB (Cont'd)**

(e) **Notes to Financial Statements**

5.4.1 **Share Capital**

	Number of ordinary shares of RM1 each 2015	Amount 2015 RM
Authorised	400,000	400,000
Issued and fully paid	100	100

5.4.2 **Other Payables**

	2015 RM
Other payables	10,192
Accrual	1,908
	12,100

5.4.3 **Amount Due to Holding Company**

The amount due to holding company is unsecured, non-interest bearing and is repayable on demand.

5.4.4 **Loss Before Tax**

	24 April 2015 (date of incorporation) to 31 December 2015 RM
Audit fee	800
Preliminary expenses	2,300

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

5.4 **CSPSB (Cont'd)**

(e) **Notes to Financial Statements (Cont'd)**

5.4.5 **Tax Expense**

	24 April 2015 (date of incorporation) to 31 December 2015 RM
Malaysian income tax:	
Based on results for the financial period	
- Current tax	(30)

The reconciliation of tax expense of CSPSB is as follows:

	24 April 2015 (date of incorporation) to 31 December 2015 RM
Loss before tax	(5,006)
Income tax at Malaysian statutory tax rate at 20%	1,007
Expenses not deductible for tax purposes	(1,037)
	(30)

5.4.6 **Capital Commitment**

	2015 RM
Authorised but not contracted for:	
- Property, plant and equipment	28,300,000

5.4.7 **Related Party Disclosures**

There were no transactions including remuneration with the directors and key management personnel during the financial period under review.

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ACCOUNTANTS' REPORT (cont'd)

5. **AUDITED HISTORICAL FINANCIAL INFORMATION (cont'd)**

5.4 **CSPSB (Cont'd)**

(e) **Notes to Financial Statements (Cont'd)**

5.4.8 **Financial Instruments**

(i) **Categories of Financial Instruments**

The table below provides an analysis of financial instruments categorised as loans and receivables ("L&R") and financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R RM	FL RM
2015			
Financial assets			
Cash and bank balances	9,494	9,494	-
Financial liabilities			
Other payables	12,100	-	12,100
Amount due to holding company	2,300	-	2,300

(ii) **Financial Risk Management**

CSPSB is not exposed to any business risk as it is dormant as at the date of this report.

5.4.9 **Fair Value of Financial Instruments**

The carrying amounts of the financial assets and financial liabilities of CSPSB as at the end of the reporting period approximate their fair values due to their short term nature.

6. **EVENT AFTER THE REPORTING PERIOD**

On 19 January 2016, CSPSB had entered into a sale and purchase agreement with CSSB wherein CSSB agrees to sell a parcel of 99-year leasehold land held under H.S.(D) 80529, No. PT 146, Pekan Klebang Seksyen II, District of Melaka Tengah, State of Melaka measuring approximately 9.16 acres to CSPSB for a total consideration of RM28,300,000 for the development of a theme park. As at the date of this report, the transaction is yet to complete subject to the fulfilment of certain condition precedent by both parties.

7. **FINANCIAL STATEMENTS**

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2015.

DIRECTORS' REPORT

MQ TECHNOLOGY

18 OCT 2016

Registered Office:

39, Salween Road
10050 Penang

To: Shareholders of MQ Technology Berhad ("**MQ**" or the "**Company**")

Dear Sir / Madam,

On behalf of the Board of Directors of MQ ("**Board**"), I wish to report that after making due enquiries in relation to our Company and subsidiary companies ("**Group**") during the period between 31 December 2015 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus that:

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(vi) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully
For and behalf of the Board of
MQ TECHNOLOGY BERHAD

TEH ENG HUAT
Executive Director

MQ Technology Berhad (635804-H)
Plot 86B, Lintang Bayan Lepas 9, Bayan Lepas Industrial Park 4, 11900 Bayan Lepas, Penang, Malaysia.
Telephone : 604-646 5888 Fax : 604-644 6888

VALUATION CERTIFICATE PREPARED BY DTZ

DTZ Nawawi Tie Leung

Our Ref. : DTZ/KL/16/0781
[DTZ15/MK/0543/DY]

PRIVATE & CONFIDENTIAL

29 August 2016

MQ TECHNOLOGY BERHAD
Plot 86B. Lintang Bayan Lepas 9
Bayan Lepas Industrial Park 4
11900 Bayan Lepas
Penang

Dear Sir,

UPDATE VALUATION CERTIFICATE

A PARCEL OF 9.16 ACRES COMMERCIAL DEVELOPMENT LAND ERECTED UPON A FULLY COMPLETED ARENA STAGE PROPOSED FOR DEVELOPMENT OF A THEME PARK, WHICH FORMS PART OF THE LAND HELD UNDER TITLE NO. HSD 80529, PT 146, PEKAN KLEBANG SEKSYEN II, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA ("Subject Property")

With reference to the instruction from MQ TECHNOLOGY BERHAD ("MQ") dated 24 August 2016, we were instructed to reassess the Market Value of the abovementioned Subject Property.

A report and valuation on the Subject Property was previously prepared by us bearing reference no. DTZ15/MK/0543/DY dated 30 December 2015 ("Previous Valuation Report") and this Update Valuation Certificate should be read in conjunction with the above said Previous Valuation Report. The relevant date of valuation stipulated in the Previous Valuation Report was 30 December 2015 ("Previous Valuation Date").

This Update Valuation Certificate is prepared for inclusion in Abridged Prospectus to shareholders of MQ.

We confirm that we have inspected the Subject Property on **26 August 2016**, made relevant local searches and enquiries and obtained such information, as we consider necessary for providing you with our opinion of the Market Value of the Subject Property as at **29 August 2016.**

DTZ Nawawi Tie Leung Property Consultants Sdn Bhd (579078-V)
Suite 34.01 Level 34 Menara Citibank 165 Jalan Ampang 50450 Kuala Lumpur Malaysia
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DTZ Nawawi Tie Leung

The Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined herein is "the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

1.0 Title Particulars

We have conducted a private title search at Melaka Registry of Land Titles on 25 August 2016 revealed that there are no changes on the title particulars since the Previous Valuation Date. We also understand from Cash Support Sdn Bhd ("CSSB") that there is no new subdivided title for the subject property.

2.0 Physical Aspect

We noted during our inspection on 26 August 2016 that there is no construction activity on the subject site. The completed Arena Stage was in a good state of condition.

3.0 Market Aspect

Generally, within Melaka, the prices of similar reclaimed commercial land within the locality have remained stable compared to the Previous Valuation Date.

4.0 Proposed Development

There are no changes on the proposed development compared to Previous Valuation Report.

Refer to item 8.2, page 12 in the Previous Valuation Report, we noted that the Amendment on Building Plan for the Construction of Arena Stage has been approved by Majlis Bandaraya Melaka Bersejarah dated 15 November 2015. As at the date of valuation, the Arena Stage has been issued with Certificate of Practical Completion dated 22 September 2015.

5.0 Non-Disclosure of Progress Claim No. 2 in previous due diligence

We were made known by MQ that the latest Progress Claim No.2 billed by Listari Marina (MM2H) Sdn Bhd dated 16 March 2015 amounted to RM18,412,684/- instead of RM16,425,369/- as reported in our previous Valuation Report. We noted that there is an additional claim amount to RM1,987,315/- which was not disclosed by CSSB to us during previous due diligence. We noted that some of the claimed items in Progress

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DTZ Nawawi Tie Leung

Claim No. 2 are not relevant to the improvement of the Arena Stage and have thus been excluded in our Update Valuation. Thus, for the purpose of this Update Valuation, we have taken into consideration the additional cost of RM732,000/- only and exclude the amount of RM1,255,315/- in Progress Claim No. 2 to reflect the current stage of improvement in the project.

6.0 Method of Valuation

We have adopted only one (1) method namely the **Comparison Method** (being the same method of valuation as stated in the Previous Valuation Report) in assessing the **Market Value** of the Subject Property because it is not for sale in the open market to generate gross development value, there is no similar comparable property in the market, the Subject Property is partially completed and not generating any income in its existing condition.

7.0 Comparison Method of Valuation

There are no changes in the comparison analysis compared to the previous valuation report which derived a land value of **RM14,762,889/-**. Save for consideration of the fact that the improvements on the site have a total amount billed of **RM17,157,369/-** by relevant contractors and consultants, we have made the necessary adjustment to reflect the current stage of improvement in the project. As such, the Market Value of a fifty (50)-year interest in the Subject Property inclusive of the land improvement value is rounded to **RM32,000,000/-**.

8.0 Opinion of Value

Premised on the foregoing and having considered all other relevant factors in our valuation, we are of the opinion that the Market Value of a fifty (50)-year interest in the property, inclusive of the land improvement value, free from all encumbrances and based on "As is where is" basis is **RM32,000,000/- (Ringgit Malaysia Thirty Two Million Only).**

Your faithfully,
For and on behalf of
DTZ NAWAWI TIE LEUNG
PROPERTY CONSULTANTS SDN BHD

Sr DANIEL MA JEN YI, *MRISM MRICS*
Registered Valuer (V-759)

3/3

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DTZ Nawawi Tie Leung

Our Ref. : DTZ15/MK/0543/DY

PRIVATE & CONFIDENTIAL

30 December 2015

The Board of Directors
MQ TECHNOLOGY BERHAD ("**MQ**")
Plot 86B. Lintang Bayan Lepas 9
Bayan Lepas Industrial Park 4
11900 Bayan Lepas
Penang

Dear Sir,

VALUATION CERTIFICATE OF A PARCEL OF 9.16 ACRES COMMERCIAL DEVELOPMENT LAND ERECTED UPON A FULLY COMPLETED ARENA STAGE PROPOSED FOR DEVELOPMENT OF A THEME PARK, WHICH FORMS PART OF THE LAND HELD UNDER TITLE NO. HSD 80529, PT 146, PEKAN KLEBANG SEKSYEN II, DISTRICT OF MELAKA TENGAH, STATE OF MELAKA ("SUBJECT PROPERTY")

We thank you for your instruction to assess the Market Value of the abovementioned property and the details of the valuation are in our formal Valuation Report bearing Reference No. DTZ15/MK/0543/DY dated 30 December 2015.

This Valuation Certificate is prepared for submission to Bursa Malaysia Securities Berhad ("**Bursa Securities**") and for inclusion in the Circular to shareholders of MQ in relation to the proposed joint venture between Star Acres Sdn Bhd ("**SASB**"), a wholly owned subsidiary of MQ and Cash Support Sdn Bhd ("**CSSB**") to develop and carry on the business of the theme park over the Subject Property in Klebang, Melaka.

We confirm that we have inspected the Subject Property on 12 November 2015 and we have made relevant local searches and enquiries and obtained such information, as we consider necessary for providing you with our opinion of the **Market Value** of the Subject Property **as at 30 December 2015**.

The Valuation Report was prepared in accordance with the Asset Valuation Guidelines issued by the Securities Commission, Malaysia and the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers, and Estate Agents, Malaysia with the necessary professional responsibility and due diligence.

The basis of valuation adopted is the **Market Value** which is defined herein is "the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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DTZ Nawawi Tie Leung

1.0 Terms of Reference

i) The Subject Property is a parcel of commercial development land proposed for development of a theme park measuring 9.16 acres. It is part of a larger parcel of land identified as H.S.(D) 80529, No. PT 146, Pekan Klebang Seksyen II, District of Melaka Tengah, State of Melaka;

ii) The valuation is carried out based on a fifty (50)-year interest in line with the terms of the Sale and Purchase Agreement ("SPA") to be entered into between CSSB and Cash Support Property Sdn Bhd ("CSPSB");

iii) The valuation is based on "As is where is" basis inclusive of the Arena Stage & all the improvements on site;

iv) The Subject Property will be eventually issued with a new subdivided title and registered under the name of CSPSB; and

v) All related and relevant building plans has been approved and the Certificate of Completion and Compliance ("CCC") will eventually be issued by Majlis Bandaraya Melaka Bersejarah ("MBMB").

2.0 Sale And Purchase Agreement

A SPA will be entered wherein CSSB agrees to sell the Subject Property to the joint venture company, CSPSB for a purchase consideration of RM28,300,000/- based on 50-years interest. The Subject Property together with all asset located on the site will be transferred to CSSB for a consideration of RM100/- upon the expiry of a period of 50-year based on the SPA.

3.0 Title Particulars

The Subject Property is not issued with any individual title yet. Brief particulars of the Master Title of the Subject Property as extracted from a private search conducted at the Melaka Registry of Land Titles dated 11 November 2015 are as follows:-

Master Title No.	:	HSD 80529
Master Lot No.	:	PT 146
Pekan	:	Pekan Klebang Seksyen II
District	:	Melaka Tengah
State	:	Melaka
Tenure	:	Leasehold 99-year expiring on 13 July 2114. The unexpired term is about 98 years.
Land Area	:	43,411 sq. m. (*10.727 acres or 467,272 sq. ft.*)
Category of land Use	:	*Bangunan*
Express Condition	:	*Untuk bangunan perniagaan sahaja*
Registered Proprietor(s)	:	Cash Support Sdn Bhd

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DTZ Nawawi Tie Leung

4.0 Description of Subject Property

The Subject Property is located at Klebang, Melaka, which is approximately 120 kilometres due southeast of Kuala Lumpur City Centre and approximately 7 kilometres due northwest of Melaka City Centre. The neighbourhood is generally residential and commercial in character comprising individually-designed detached houses, semi-permanent village dwellings, condominiums and terraced shop-houses.

The subject site is a reclaimed land which is basically irregular in shape, flat in terrain and lies about the same level with the frontage road.

As at the time of our inspection on 12 November 2015, we noted that the construction of Arena Stage, which forms part of the component in the theme park development has been completed. The estimated total gross floor area for the Arena Stage is 40,128 sq. ft. and as at the date of valuation, the total amount billed for the Arena Stage together with other improvements on the site as certified by the consultant dated 30 December 2015 is RM16,425,369/-.

Having taken into consideration the Arena Stage is a unique property, specially designed for performance purposes and with computerised water fountain installed with submersible multi-colour performance lighting system, three purpose built large scale vision display panels, a sound reinforcement system and also other improvements on the site, thus, the above construction cost is deem fair and realistic.

For the purpose of this valuation, we have adopted this development cost as the land improvement value in arriving at the Market Value of the Subject Property.

5.0 Town Planning

The planning permission for the Subject Property as a theme park has been granted by the Town and Country Planning Department of MBMB vide an approved Planning Permission Letter issued by MBMB bearing reference no. MBMB/JP.05511(20) dated 21 June 2011. The Subject Property has obtained approval on Planning Permission for Extended Period of 12 months from MBMB in 6 September 2013 and 3 June 2015.

The Subject Property will comprises an arena stage, wet game area, children pool, a temporary sewage treatment plant, 2 sub-stations and a multi storey car park building.

DTZ Nawawi Tie Leung

6.0 Method of Valuation

We have adopted only one (1) method namely the **Comparison Method** in assessing the **Market Value** of the Subject Property because it is not for sale in the open market to generate gross development value, there is no similar comparable property in the market, the Subject Property is partially completed and not generating any income in its existing condition.

7.0 Comparison Method of Valuation

ANALYSIS OF COMPARABLES				
COMPARABLE	**1**	**2**	**3**	**4**
SOURCE	Bursa announcement	Bursa announcement	Bursa announcement	Bursa announcement
TITLE NUMBER	Plot A - H, Located in Kawasan Bandar VI, District of Melaka Tengah & State of Melaka.	HSD 75527 to HSD 75530, PT 556 to PT 559 respectively, all in Pekan Klebang Seksyen II, District of Melaka Tengah & State of Melaka.	Plot 39, 40 & 41, all in Pekan Klebang, District of Melaka Tengah & State of Melaka.	HSD70340 - 70343, PT 1801 - 1804 respectively, both in Pekan of Klebang, District of Melaka Tengah & State of Melaka.
TENURE	Will be issued with a 99-year leasehold tenure upon application.*	Leasehold 99-year, Expiring 29/07/2112. (Unexpired term is 97-year)	Will be issued with a 99-year leasehold tenure upon application.*	Leasehold 99-year, Expiring 21/07/2110 (Unexpired term is 95-year)
THE VENDOR(S)	Heritage Land Realty Sdn Bhd	Oceanfront Property Sdn Bhd	Sentosacove Development Sdn Bhd	Strategic Land Sdn Bhd
THE PURCHASER(S)	Faithview Supreme Development Sdn Bhd	Faithview Concept Development Sdn Bhd	Jadex Land Sdn Bhd	Teobros Development Sdn Bhd (Seaside Synergy & Sunshine 2000)
TYPE OF LAND	Vacant Commercial Land			
LAND AREA (square feet)	1,286,762	1,387,822	843,322	1,002,400
LAND AREA (acres)	29.54	31.86	19.36	23.01
DATE	28/10/2013	17/12/2013	02/12/2014	02/04/2013
CONSIDERATION	**RM51,470,496.00**	**RM55,531,011.00**	**RM35,419,507.20**	**RM48,115,196.16**
ANALYSIS (per square foot)	**40.00**	**40.01**	**42.00**	**48.00**
ADJUSTMENTS;	Adjusted for Time, Location, Main Road Frontage, Land size, Development order, Shape & Decapitalisation**			
LAND VALUE AFTER DECAPITALISATION ADJUSTMENT (PSF)	**RM36.34**	**RM37.93**	**RM36.50**	**RM37.92**

* *Assumed the title will carry a full 99 years leasehold interest as at the date of valuation.*
** *Decapitalised based on 50-year interest in the subject property which is in accordance with the terms in the SPA.*

In arriving at the market value of the fifty (50)-year interest in the Subject Property, we have adopted a decapitalisation rate base on Parry's Years Purchase Tables study which will be adjusted to reflect the residual tenure of the land.

As per the above analysis, the adjusted value range from RM36.34 per square foot to RM37.93 per square foot with an average adjusted value of RM37.17 per square foot.

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DTZ Nawawi Tie Leung

Therefore, in arriving at the market value of the Subject Property based on the Comparison Method, we have adopted a market rate of **RM37/-** per square foot which derived a value of **RM14,762,889/-**.

Having taken into consideration the fact that the improvements on the site have a total amount billed of **RM16,425,369/-**. As such, the Market Value of a fifty (50)-year interest in the Subject Property inclusive the land improvement value is **RM31,188,258/-**.

8.0 Opinion of Value

Premised on the foregoing and having considered all other relevant factors in our valuation, we are of the opinion that the Market Value of a fifty (50)-year interest in the Subject Property, inclusive the land improvement value, free from all encumbrances and based on "As is where is" basis is **RM31,188,258/- (Ringgit Malaysia Thirty One Million One Hundred Eighty Eight Thousand Two Hundred and Fifty Eight Only)**.

Your faithfully,
For and on behalf of
DTZ NAWAWI TIE LEUNG
PROPERTY CONSULTANTS SDN BHD

Sr DANIEL MA JEN YI, *MRISM MRICS*
Registered Valuer (V-759)

Penilai V(1)0037

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.

1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

1.3 Save as disclosed below and for the Entitled Shareholders who will be allotted the provisional Rights Shares with Warrants under the Rights Issue of Shares with Warrants, no person has been or is entitled to be granted an option to subscribe for any of our securities as at the LPD:

(i) the Entitled Shareholders who will be allotted the Provisional Rights Shares with Warrants under the Rights Issue of Shares with Warrants; and

(ii) up to thirty percent (30%) of the issued and paid-up share capital of our Company (excluding treasury shares) can be issued at any one time during the duration of the scheme for the Eligible Persons after the completion of the Rights Issue of Shares with Warrants. As at the LPD, the SIS has not been implemented.

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

Article 93 – Remuneration of Directors

The Directors shall be paid by way of fees for their services, such fixed sum (if any) as shall from time to time be determined by the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. PROVIDED ALWAYS that::

(i) fee payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

(ii) salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such salaries and emoluments may not include a commission on or percentage of turnover;

(iii) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting; and

(iv) any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

3. MATERIAL CONTRACTS

Neither we nor our subsidiary companies have entered into any material contracts, (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this AP, except for the following:

(i) SSA and Letter including the supplemental agreement dated 18 July 2016 entered into between SASB and CSSB wherein the parties mutually agreed to extend the cut-off date of the SSA from 19 July 2016 to 19 January 2017 for the parties to obtain/fulfil conditions precedent pursuant to the SSA and Letter;

(ii) SPA including the supplemental agreement dated 18 July 2016 entered into between CSSB and CSPSB wherein the parties mutually agreed to extend the cut-off date of the SPA from 19 July 2016 to 19 January 2017 for the parties to obtain, fulfil or waive the conditions precedent pursuant to the SPA; and

(iii) the Deed Poll executed by our Company constituting the Warrants.

4. MATERIAL LITIGATION

As at the LPD, neither our Company nor our subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Group and there are no other proceedings, pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group.

For information purposes only, two (2) executive directors of MQ, namely TEH and Khoo Hun Sniah, are currently involved in the following litigation:

(i) <u>Writ of Summons and Statement of Claim by Ire-Tex Corporation Berhad against TEH and Khoo Hun Sniah in the High Court of Malaya at Penang (Civil Suit No.: 22NCVC-166-10/2015)</u>

Ire-Tex Corporation Berhad ("**Ire-Tex**" or "**Plaintiff**") had via its solicitors filed a Writ of Summons and Statement of Claim in the High Court of Malaya at Penang against TEH ("**First Defendant**") and Khoo Hun Sniah ("**Second Defendant**") on 2 October 2015.

The filing of the Writ of Summons and Statement of Claim is a result of the First Defendant and Second Defendant (collectively referred to as "**Defendants**") failing to settle the outstanding amount of RM6,315,113.00 ("**Outstanding Amount**"), being the shortfall amounting to RM8,815,113.00 of the guaranteed profit after tax for the financial years of 2013 and 2014 (jointly and severally guaranteed by the First Defendant and Second Defendant to the Plaintiff in the proportions of 80% and 20% respectively) less the profit guarantee security of RM2,500,000.00 ("**Profit Guarantee Security**"), pursuant to the terms of the Sale and Purchase Agreement dated 18 November 2013, Supplemental Agreement dated 7 February 2014 and Further Supplemental Agreement dated 14 April 2015 (collectively referred to as "**SPAs with Ire-Tex**") entered into between Ire-Tex and the Defendants.

(a) By two (2) notices in writing both dated 14 April 2015 to the Defendants' stakeholder, Messrs David Lai & Tan ("**Stakeholder**"), each of the Defendants requested the release of the Profit Guarantee Security in favour of the Plaintiff in accordance with the terms of the SPAs with Ire-Tex, which was duly released by the Stakeholder.

(b) By a letter of demand dated 7 July 2015 and a letter of demand dated 31 July 2015 from the Plaintiff's solicitors, the Plaintiff demanded payment of the Outstanding Amount from the Defendants. Notwithstanding the aforesaid demands, the Defendants have failed, neglected and/or refused to make payment of the Outstanding Amount, or any part thereof.

(c) By reason of the Defendants' breach as aforesaid and in accordance with the terms of the SPAs with Ire-Tex, the Plaintiff is entitled to contractual interest at the rate of 8% per annum on the Outstanding Amount from 15 July 2015 until the date of full payment.

The continued hearing of the application for discovery of documents is fixed on 16 November 2016.

(Source: Ire-Tex's announcements on the website of Bursa Securities dated 6 November 2015 and 19 September 2016)

(ii) Writ of Summons and Statement of Claim by Zoomic Technology (M) Sdn. Bhd. ("**ZTSB**"), a wholly-owned subsidiary of Ire-Tex against TEH in the High Court of Malaya at Penang

Ire-Tex had via its solicitors filed a Writ of Summons and Statement of Claim in the High Court of Malaya at Penang against TEH ("**Defendant**") on 26 September 2016.

The filing of the Writ of Summons and Statement of Claim is a result of the Defendant who was a director of ZTSB (primarily responsible for the financial management of ZTSB), who owed the following duties to ZTSB:

(a) the Defendant was reposed with trust and confidence and consequently owed a duty of good faith to ZTSB;

(b) the Defendant was further subject to fiduciary duties with attendant obligations to exercise his powers for a proper purpose and in good faith in the interest of ZTSB; and

(c) the Defendant was subject to further wider duties under law to ZTSB to, amongst others, account to ZTSB, including that set out under Section 132 of the Companies Act, 1965 read together with Part X of the Contracts Act, 1950.

In November 2014, the Defendant caused ZTSB to make payment to him of a sum of RM3 million. In a subsequent review of the financial affairs of ZTSB, ZTSB is unable to reconcile the payment of the said sum of RM3 million to the Defendant having regard to, among others, that ZTSB had previously issued 5,900,000 new ordinary shares of RM1.00 each to the Defendant (including one other minority shareholder in the Plaintiff) in satisfaction of all advances previously made by the Defendant to satisfy amounts owing to Malaysian Debt Ventures Berhad.

The Defendant was at all material times reposed with trust and confidence at the material time such that ZTSB had not intended to allow the Defendant to gratuitously retain the RM3 million and the Defendant must make compensation to ZTSB pursuant to section 71 of the Contracts Act 1950 or otherwise in law. Pursuant to Section 11 of the Civil Law Act 1956 and Order 42, Rule 12 of the Rules of Court 2012 and the inherent jurisdiction of this court, ZTSB also claims compensation and/or damages including interest on the said sum of RM3 million from 11 November 2014 until satisfaction.

(Source: Ire-Tex's announcement on the website of Bursa Securities dated 26 September 2016)

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

5.2 Save as disclosed in this AP, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(v) substantial increase in revenues; and

(vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

The Adviser, Company Secretaries, Smith Zander, Principal Banker, Share Registrar, Solicitors for the Rights Issue of Shares with Warrants and Bloomberg Finance L.P. have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The written consent of our Auditors and Reporting Accountants to the inclusion in this AP of its name and letter relating to the audited consolidated financial statements of our Group for the FYE 31 December 2015, the pro forma consolidated statements of financial position of our Group as at 31 December 2015 and Accountants' Report on CSPSB respectively, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and has not subsequently been withdrawn.

DTZ, our independent registered valuer has given and has not subsequently withdrawn its written consent to the inclusion of its name in this AP, the valuation certificate for the Project Land dated 30 December 2015 and 29 August 2016, and all references thereto in the form and context in which they appear in this AP.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at 39, Salween Road, 10050 Penang during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) the audited financial statements of our Group for the past two (2) FYEs 31 December 2014 and 31 December 2015 and our latest unaudited consolidated financial results for the six (6)-month period ended 30 June 2016;

(iii) the pro forma consolidated statements of financial position as at 31 December 2015 and the Reporting Accountants' letter thereon as set out in **Appendix III** of this AP;

(iv) Accountants' Report on CSPSB referred to as **Appendix VII** of this AP;

(v) the Undertakings referred to in Section 2.4 of this AP;

(vi) Directors' Report referred to as **Appendix VIII** of this AP;

(vii) the material contracts as set out in Section 3 above;

(viii) the Independent Market Research Report;

(ix) the Valuation Report and valuation certificate prepared by DTZ referred to as **Appendix IX** of this AP; and

(x) the letters of consent referred to in Section 6 above.

8. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser for the Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Rights Issue of Shares with Warrants.

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NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS

Terms defined in the Abridged Prospectus dated 28 October 2016 ("**Abridged Prospectus**") shall have the same meanings when used in this Notice of Provisional Allotment. The provisional allotment of Rights Shares (as defined herein) with Warrants (as defined herein) is a prescribed security pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") shall apply in respect of dealings in the provisional allotment of Rights Shares with Warrants.

MQ TECHNOLOGY BERHAD

MQ TECHNOLOGY BERHAD

(Company No. 635804-H)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 418,470,537 NEW ORDINARY SHARES OF RM0.10 EACH IN MQ TECHNOLOGY BERHAD ("MQ" OR THE "COMPANY") ("MQ SHARES") ("RIGHTS SHARES") ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING MQ SHARE HELD AS AT 5.00 P.M. ON 28 OCTOBER 2016 ("ENTITLEMENT DATE") AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 278,980,358 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF TWO (2) WARRANTS FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED FOR ("RIGHTS ISSUE OF SHARES WITH WARRANTS")

Adviser

TA SECURITIES
A MEMBER OF THE TA GROUP

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: Shareholders of MQ

Dear Sir / Madam,

The Board of Directors of MQ ("**Board**") has provisionally allotted to you, in accordance with the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") dated 4 May 2016 and the Ordinary Resolution 4 passed by shareholders of the Company at the Extraordinary General Meeting convened on 13 June 2016, the number of Rights Shares with Warrants as indicated below ("**Provisional Allotment**").

We wish to advise that the following Rights Shares with Warrants provisionally allotted to you in respect of the Rights Issue of Shares with Warrants have been confirmed by Bursa Depository and upon acceptance will be credited into your Central Depository System ("**CDS**") account(s) subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form dated 28 October 2016 issued by the Company.

The Provisional Allotment is made subject to the provisions in the Abridged Prospectus dated 28 October 2016 issued by the Company. Bursa Securities has already prescribed the securities of MQ listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the provisional allotment of Rights Shares with Warrants arising from the Rights Issue of Shares with Warrants are prescribed securities and, as such, all dealings in the Provisional Allotment will be by way of book entry through CDS accounts and will be governed by the Securities Industry (Central Depositories) Act, 1991, the Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository.

ALL RIGHTS SHARES WITH WARRANTS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES WITH WARRANTS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S)/TRANSFEREES(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES OR WARRANT CERTIFICATES WILL BE ISSUED.

It is the intention of the Board to allot the excess Rights Shares with Warrants in the following priority:-

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, to the entitled shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in the Company on the Entitlement Date;
(iii) thirdly, to the entitled shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of excess Rights Shares with Warrants applied for; and
(iv) finally, to transferee(s)/renouncee(s) who have applied for the excess Rights Shares with Warrants, on a pro-rata basis and in board lots, based on the quantum of excess Rights Shares with Warrants applied for.

Nevertheless, the Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the Rights Subscription Form in such manner as it deems fit and expedient and in the best interest of the Company subject always to (i), (ii), (iii) and (iv) above are achieved. The Board also reserves the right to accept any excess Rights Share with Warrants application, in full or in part, without assigning any reason.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NUMBER OF MQ SHARES HELD AS AT 5.00 P.M. ON 28 OCTOBER 2016	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.10 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIME:

Entitlement date	:	Friday, 28 October 2016 at 5.00 p.m.
Last date and time for sale of provisional allotment of rights	:	Friday, 4 November 2016 at 5.00 p.m.
Last date and time for transfer of provisional allotment of rights	:	Wednesday, 9 November 2016 at 4.00 p.m.
Last date and time for acceptance and payment	:	Monday, 14 November 2016 at 5.00 p.m.
Last date and time for excess application and payment	:	Monday, 14 November 2016 at 5.00 p.m.

By order of the Board
Datuk Tan Leh Kiah (MAICSA 0719692)
Ooi Yoong Yoong (MAICSA 7020753)
Company Secretaries

Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: 603 - 2783 9299
Fax: 603 - 2783 9222

THIS NOTICE OF PROVISIONAL ALLOTMENT IS DATED 28 OCTOBER 2016

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS DATED 28 OCTOBER 2016 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF. THIS RSF IS ISSUED FOR THE PURPOSE OF ACCEPTING THE RIGHTS SHARES (AS DEFINED HEREIN) WITH WARRANTS (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES WITH WARRANTS PURSUANT TO THE RIGHTS ISSUE OF SHARES WITH WARRANTS (AS DEFINED HEREIN) OF MQ TECHNOLOGY BERHAD ("MQ" OR THE "COMPANY"). THE LAST TIME AND DATE FOR ACCEPTANCE AND PAYMENT IS 5.00 P.M. ON 14 NOVEMBER 2016 OR SUCH LATER TIME AND DATE AS MAY BE DETERMINED AND ANNOUNCED BY THE BOARD OF DIRECTORS OF MQ. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS STANDING TO THE CREDIT OF HIS / HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 418,470,537 NEW ORDINARY SHARES OF RM0.10 EACH IN MQ ("MQ SHARES") ("RIGHTS SHARES") ON THE BASIS OF THREE (3) RIGHTS SHARES FOR EVERY ONE (1) EXISTING MQ SHARE HELD AS AT 5.00 P.M. ON 28 OCTOBER 2016 AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 278,980,358 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF TWO (2) WARRANTS FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED FOR ("RIGHTS ISSUE OF SHARES WITH WARRANTS")

NAME AND ADDRESS OF APPLICANT

NRIC NO. / PASSPORT NO. (STATE COUNTRY) / COMPANY NO.

CDS ACCOUNT NO. _ _ _ - _ _ _ - _ _ _ _ _ _ _ _ _

NUMBER OF MQ SHARES HELD AS AT 5.00 P.M. ON 28 OCTOBER 2016	NUMBER OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	NUMBER OF WARRANTS ATTACHED TO THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.10 PER RIGHTS SHARE (RM)

Note: If you have subsequently purchased additional provisional Rights Shares with Warrants from the open market, you should indicate your acceptance of the total provisional Rights Shares with Warrants that you have standing to the credit in your CDS account under Part I(A).

To: The Board of Directors of MQ ("**Board**")

PART I – ACCEPTANCE OF PROVISIONAL RIGHTS SHARES WITH WARRANTS AND APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

In accordance with the terms of this RSF and the Abridged Prospectus, I / we* hereby irrevocably:

(i) *accept the number of Rights Shares with Warrants as stated below, which were provisionally allotted / transferred / renounced* to me / us*;
(ii) *apply for the number of excess Rights Shares with Warrants as stated below in addition to the above;

in accordance with and subject to the Memorandum and Articles of Association of the Company.

I / We* enclose herewith the appropriate remittance(s) for the payment stated below, in favour of the respective account stated below and crossed "**ACCOUNT PAYEE ONLY**", being the full amount payable for the said number of Rights Shares with Warrants accepted / applied for, and hereby request for the said Rights Shares with Warrants to be credited into my / our valid and subsisting CDS account as stated above:

NUMBER OF RIGHTS SHARES WITH WARRANTS ACCEPTED / EXCESS RIGHTS SHARES WITH WARRANTS APPLIED		AMOUNT PAYABLE BASED ON RM0.10 PER RIGHTS SHARE (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE				**MQ RIGHTS ISSUE ACCOUNT**
(B) EXCESS				**MQ EXCESS RIGHTS ISSUE ACCOUNT**

I / We* hereby authorise you to return without interest, my / our* application money or the balance thereof should my / our* application for excess Rights Shares with Warrants be not successful at all or only partial successful by ORDINARY POST to me / us* at MY / OUR* OWN RISK.

PART II – DECLARATION

I / We* hereby confirm and declare that:
(i) All information provided by me / us* is true and correct;
(ii) All information is identical with the information in the records of the Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my / our* rights may be rejected;
(iii) I / We* consent to MQ and the Share Registrar of MQ collecting the information and personal data (collectively "**Data**") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue of Shares with Warrants and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations; and
- * I am 18 years of age or over.
- * I am / We are* resident(s) of Malaysia.
- * I am / We are* resident(s) of ………………….. (country) and having …………………… citizenship.
- * I am / We are* nominee(s) of a person who is a Bumiputera / Non-Bumiputera / Non-Citizen* resident in ………………... (country) and having...………………… citizenship.

I / We* hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all the requirements for acceptance and payment as set out therein.

Signature/Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE

Date

Contact telephone no. during office hours

LAST DATE AND TIME FOR:-

Acceptance and payment	:	Monday, 14 November 2016 at 5.00 p.m.
Excess application and payment	:	Monday, 14 November 2016 at 5.00 p.m.

* *Please delete whichever is not applicable.*

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE REQUIREMENTS OF THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS DATED 28 OCTOBER 2016 ("ABRIDGED PROSPECTUS").

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE OF SHARES WITH WARRANTS SHOULD BE ADDRESSED TO THE SHARE REGISTRAR OF THE COMPANY, TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD, UNIT 32-01, LEVEL 32, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR. INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF.

This RSF, together with the Abridged Prospectus and Notice of Provisional Allotment ("**NPA**") for the Rights Issue of Shares with Warrants, is not intended to be issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue of Shares with Warrants complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled shareholders and/or their renouncees/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their advisers as to whether the acceptance or renunciation (as the case may be) of their entitlements to the Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. MQ Technology Berhad ("**MQ**" or "**Company**") and TA Securities Holdings Berhad shall not accept any responsibility or liability in the event that any acceptance or renunciation made by entitled shareholders and/or their renouncees/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in such countries or jurisdictions in which the entitled shareholders and/or renouncees/transferees (if applicable) are residents.

A copy of the Abridged Prospectus has been registered with the Securities Commission Malaysia ("**SC**"). A copy of the same, together with the NPA and RSF, have also been lodged with the Registrar of Companies, who takes no responsibility for the contents of these documents.

The shareholders of MQ have approved the Rights Issue of Shares with Warrants at the Extraordinary General Meeting held on 13 June 2016. Approval has also been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") vide its letter dated 4 May 2016 for the admission of the Warrants to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the Rights Shares, Warrants and the new MQ Shares to be issued upon the exercise of the Warrants on the ACE Market of Bursa Securities. The official listing of and quotation for Rights Shares with Warrants will commence after, among others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**") that all the Central Depository System ("**CDS**") accounts of entitled shareholders and/or their renouncees/transferees (if applicable) have been duly credited and notices of allotment have been despatched to the successful applicants.

Neither Bursa Securities nor the SC takes any responsibility for the correctness or accuracy of any statements made or opinions expressed herein. Admission to the Official List and quotation of the said securities on Bursa Securities are in no way reflective of the merits of the Rights Issue of Shares with Warrants.

This RSF, together with the Abridged Prospectus and NPA, have been seen and approved by the Board of Directors of MQ ("**Board**") and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

The provisionally allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 and therefore, the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) (Amendment) Act, 1998 and the Rules of the Bursa Depository shall apply in respect of dealings of the provisionally allotted Rights Shares with Warrants.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or "**RM**" in abbreviation) and sen. Terms defined in the Abridged Prospectus shall have the same meanings when used in this documents, unless they are otherwise defined here or other context otherwise requires.

INSTRUCTIONS:

(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on 14 November 2016.

(ii) FULL ACCEPTANCE OF THE RIGHTS SHARES WITH WARRANTS

If you wish to accept the Rights Shares with Warrants provisionally allotted to you, please complete Part I(A) and Part II of this RSF and return this RSF, together with the appropriate remittance made in RM for the full amount in the form of Banker's Draft(s)/Cashier's Order(s)/Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made out in favour of "**MQ RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters, for the full amount payable for the Rights Shares with Warrants accepted, to be received by the Share Registrar as detailed below, before 5.00 p.m. on 14 November 2016. Cheques or any other mode of payments are not acceptable.

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

Telephone No: 03-2783 9299
Facsimile No: 03-2783 9222

or alternatively at

Tricor Customer Service Centre
Unit G-3, Ground Floor
Vertical Podium, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

If acceptance and payment for the Rights Shares with Warrants provisionally allotted to you is not received by the Share Registrar by 5.00 p.m. on 14 November 2016, being the last time and date for acceptance and payment, such provisional allotment of rights will be deemed to have been declined and will be cancelled. The Board will then have the right to allot such Rights Shares with Warrants not taken up, first, to applicants applying for excess Rights Shares with Warrants in the manner set out in note (iv) below.

The remittance must be made for the exact amount payable for the Rights Shares with Warrants accepted (Rounded up to the nearest sen). No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in the Record of Depositors provided by Bursa Depository within eight (8) market days from the last date for acceptance and payment for the Rights Shares with Warrants.

(iii) PART ACCEPTANCE OF THE RIGHTS SHARES WITH WARRANTS

If you wish to accept part of your provisional allotment of the Rights Shares with Warrants, please complete Part I(A) of this RSF by specifying the number of Rights Shares with Warrants which you are accepting and Part II of this RSF and deliver the completed RSF together with the relevant payment to the Share Registrar by 5.00 p.m. on 14 November 2016, being the last time and date for acceptance and payment.

(iv) APPLICATION FOR EXCESS RIGHTS SHARES WITH WARRANTS

If you and/or your renouncee(s)/transferee(s) (if applicable) wish to apply for excess Rights Shares with Warrants in addition to those provisionally allotted to you and/or your renouncee(s)/transferee(s) (if applicable), please complete Part I(B) of this RSF (in addition to Parts I(A) and II) and forward it (together with a **<u>separate remittance</u>** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to the Share Registrar. Payment for the excess Rights Shares with Warrants applied for should be made in the same manner described in note (ii) above, with remittance in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and made payable to "**MQ EXCESS RIGHTS ISSUE ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and CDS account number in block letters to be received by the Share Registrar not later than 5.00 p.m. on 14 November 2016, being the last time and date for the excess Rights Shares with Warrants acceptance and payment. No acknowledgement will be issued but a notice of allotment will be despatched to you by ordinary post to the address stated in the Record of Depositors provided by Bursa Depository within eight (8) market days from the last date for acceptance and payment for the excess Rights Shares with Warrants.

In respect of unsuccessful or partially successful excess Rights Shares with Warrants applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest within fifteen (15) market days from the last date for application and payment for the excess Rights Shares with Warrants by ordinary post to the address shown in the Record of Depositors provided by Bursa Depository at the applicant's own risk. It is the intention of the Board to allot the excess Rights Shares with Warrants in the following priority:

(a) firstly, to minimise the incidence of odd lots;
(b) secondly, to the entitled shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in the Company on the Entitlement Date;
(c) thirdly, to the entitled shareholders who have applied for excess Rights Shares with Warrants, on a pro-rata basis and in board lots, calculated based on the quantum of excess Rights Shares with Warrants applied for; and
(d) finally, to transferee(s)/renouncee(s) who have applied for the excess Rights Shares with Warrants, on a pro-rata basis and in board lots, based on the quantum of excess Rights Shares with Warrants applied for.

Nevertheless, the Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the Rights Subscription Form in such manner as it deems fit and expedient and in the best interest of the Company subject always to (i), (ii), (iii) and (iv) above are achieved. The Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

(v) SALE/TRANSFER OF THE PROVISIONAL ALLOTMENT OF RIGHTS SHARES WITH WARRANTS

If you wish to sell/transfer all or part of your provisional allotment of the Rights Shares with Warrants to your renouncee(s)/transferee(s) (if applicable), you may do so immediately through your stockbroker without first having to request the Company for a splitting of the provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS accounts. To sell/transfer all or part of your provisional allotment of the Rights Shares with Warrants, you may sell such provisional allotment of the Rights Shares with Warrants on the open market of Bursa Securities or transfer such provisional allotment to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling/transferring all or part of your provisional allotment of the Rights Shares with Warrants, you and/or your renouncee(s)/transferee(s) (if applicable) need not deliver any document, including this RSF, to the stockbroker. However, you and/or your renouncee(s)/transferee(s) (if applicable) must ensure that you have sufficient provisional allotment of the Rights Shares with Warrants standing to the credit of your CDS account before trading.

The purchaser(s)/renouncee(s)/transferee(s) can collect a copy of this RSF for the acceptance of his/her/their rights from his/her/their stockbroker, the Registered Office of the Company, the Share Registrar's office or Bursa Securities' website at http://www.bursamalaysia.com.

If you have sold only part of the provisional allotment of the Rights Shares with Warrants, you may still accept the balance of your provisional allotment of the Rights Shares with Warrants by completing Parts I(A) and II of this RSF.

(vi) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
(b) Rights Shares with Warrants subscribed by the shareholders and/or their renouncee(s)/transferee(s) will be credited into their respective CDS accounts as shown in Bursa Depository's Record of Depositors.
(c) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of the Company and the Company shall not be under any obligation to account for such interest or other benefit to you.
(d) The contract arising from the acceptance of the provisional allotment of the Rights Shares with Warrants by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract.
(e) The Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to.
(f) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of Ringgit Malaysia Ten (RM10.00) must be affixed on the RSF.