

MQ TECHNOLOGY BERHAD

(Company No. 635804-H)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 JUNE 2009***(The figures have not been audited)*

	CURRENT YEAR TO DATE 30-Jun-09 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Jun-08 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(1,657,554)	602,202
Adjustments for:		
Amortisation and depreciation	2,117,612	2,235,705
Interest expense	120,811	264,732
Loss on disposal of subsidiary company	3,627,051	-
Gain on disposal of property, plant and equipment	(122,225)	-
Unrealised loss/(gain) on foreign exchange	43,022	(176,387)
Interest income	(110,125)	(205,072)
Operating profit before working capital changes	4,018,592	2,721,180
Decrease/(Increase) in inventories	1,136,251	(628,075)
(Increase)/Decrease in receivables	(2,989,709)	3,367,702
Increase/(Decrease) in payables	441,907	(1,754,573)
Cash generated from operations	2,607,041	3,706,234
Income taxes refunded	-	73,873
Income taxes paid	(337,671)	(274,899)
Net cash from operating activities	2,269,370	3,505,208
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(116,602)	(2,266,691)
Interest received	110,125	205,072
Proceeds from disposal of subsidiary, net of cash in subsidiary disposed	5,959,253	-
Proceeds from disposal of property, plant and equipment	946,000	-
Net cash from/(used in) investing activities	6,898,776	(2,061,619)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(120,811)	(264,732)
Listing and share issue expenses paid	-	(26,650)
Repayment of term loans	-	(557,367)
Repayment of hire purchase obligations	(1,228,728)	(1,413,032)
Increase in short term bank borrowings	(493,346)	(1,501,000)
Net cash used in financing activities	(1,842,885)	(3,762,781)
Net decrease in cash and cash equivalents	7,325,261	(2,319,192)
Effect of exchange rate changes	(22,574)	7,301
Cash and cash equivalents brought forward	13,885,885	17,758,324
Cash and cash equivalents carried forward	21,188,572	15,446,433
<u>Cash and cash equivalents comprise:</u>		
Short-term funds	16,322,753	10,406,535
Cash and bank balances	4,865,819	5,039,898
	21,188,572	15,446,433