

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 JUNE 2009**

**A NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of preparation of Interim Financial Report**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134, "Interim Financial Reporting", issued by the Malaysian Accounting Standards Board ("**MASB**") and the disclosure requirements as set out in Appendix 9B of the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2008.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

**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 were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities in the Company during the period 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 actuator magnetic coils and coil assemblies for hard disk drives, 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, manufacturing of precision milling and drilling of metal plates and manufacturing of car spare parts, plastic moulds, metal moulds and blowing moulds for plastic products, tooling, jigs and fixtures for electronic and semiconductor. Accordingly, no industry segment information of the Group has been presented.

*Note:-*

*The Group has ceased the business activities of design and manufacturing of actuator magnetic coils and coil assemblies for hard disk drives in the current quarter pursuant to the completion of the disposal of QB Technology Sdn Bhd ("**QBT**"), its wholly-owned subsidiary in June 2009. Please refer to Note B8(b) for further details.*

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**A7 Segment reporting (Cont'd)**

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.

	<b>SEGMENT REVENUE</b>			
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current year</b>	<b>Preceding year</b>	<b>Current year</b>	<b>Preceding year</b>
	<b>quarter</b>	<b>corresponding quarter</b>	<b>to date</b>	<b>corresponding period</b>
	<b>30-Jun-09</b>	<b>30-Jun-08</b>	<b>30-Jun-09</b>	<b>30-Jun-08</b>
Malaysia	5,512,632	7,494,813	11,857,667	14,947,590
Other Asia Pacific countries	5,466,738	2,973,214	9,609,413	8,256,710
United States of America	131,157	227,229	390,193	415,241
	<u>11,110,527</u>	<u>10,695,256</u>	<u>21,857,273</u>	<u>23,619,541</u>
	<b>SEGMENT ASSETS</b>		<b>CAPITAL EXPENDITURE</b>	
	<b>30-Jun-09</b>	<b>30-Jun-08</b>	<b>30-Jun-09</b>	<b>30-Jun-08</b>
Malaysia	34,553,693	48,589,639	114,469	2,247,942
Thailand	6,231,300	5,876,490	2,133	18,749
	<u>40,784,993</u>	<u>54,466,129</u>	<u>116,602</u>	<u>2,266,691</u>

**A8 Valuation of property, plant and equipment**

The Group did not revalue any of its property, plant and equipment during the period under review.

**A9 Material events subsequent to the end of the quarter**

There were no material events between the end of the reporting quarter and the date of this announcement.

**A10 Changes in the composition of the Group**

Save as disclosed in Note B8(b), 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 RM8,626,000 (2008 : RM16,509,000) of which RM3,322,000 (2008 : RM7,148,000) has been utilised as at the balance sheet date.