

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

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2009

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-09 RM '000	30-Sep-08 RM '000	30-Sep-09 RM '000	30-Sep-08 RM '000
1 Revenue	7,171	12,465	29,028	36,084
2 Profit/(Loss) before tax	903	1,449	(755)	2,051
3 Profit/(Loss) after tax	903	1,419	(800)	1,875
4 Net profit/(loss) for the period	903	1,419	(800)	1,875
5 Earnings/(Loss) per share (sen) - Basic **	0.39	0.62	(0.35)	0.81
6 Earnings/(Loss) per share (sen) - Diluted	NA	NA	NA	NA
7 Dividend per share (sen)	-	-	-	-
			AS AT END OF CURRENT QUARTER 30-Sep-09	AS AT PRECEDING FINANCIAL YEAR END 31-Dec-08
8 Net assets per share attributable to ordinary equity holders of the parent (RM)			0.22	0.23

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-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
Net profit/(Loss) for the period - RM	902,594	1,419,178	(799,960)	1,875,380
Number of shares in issue	230,562,907	230,562,907	230,562,907	230,562,907
Earnings/(Loss) per share (sen) - Basic	0.39	0.62	(0.35)	0.81

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2009*(The figures have not been audited)*

	UNAUDITED AS AT 30-Sep-09 RM	AUDITED AS AT 31-Dec-08 RM
NON-CURRENT ASSETS		
Property, plant and equipment	27,898,758	32,991,989
Prepaid lease payments	1,573,760	1,595,124
Goodwill on consolidation	960,221	960,221
	<u>30,432,739</u>	<u>35,547,334</u>
CURRENT ASSETS		
Inventories	914,406	3,281,523
Trade receivables	7,270,537	9,362,848
Other receivables, deposits and prepayments	1,671,700	1,208,948
Current tax assets	467,372	484,872
Cash and bank balances	19,033,963	13,885,885
	<u>29,357,978</u>	<u>28,224,076</u>
CURRENT LIABILITIES		
Trade payables	2,452,025	2,267,303
Other payables and accruals	2,369,631	2,738,978
Hire purchase payables	1,288,247	2,383,541
Current portion of term loans	538,462	759,260
Current tax liabilities	-	219,220
	<u>6,648,365</u>	<u>8,368,302</u>
NET CURRENT ASSETS	22,709,613	19,855,774
	<u>53,142,352</u>	<u>55,403,108</u>
FINANCED BY		
Share capital	23,056,291	23,056,291
Share premium	8,527,123	8,527,123
Exchange translation reserve	298,772	89,455
Retained profits	19,980,210	20,780,170
SHAREHOLDERS' EQUITY	<u>51,862,396</u>	<u>52,453,039</u>
NON-CURRENT LIABILITIES		
Hire purchase payables	77,156	795,502
Term loans	720,800	1,202,567
Deferred tax liabilities	482,000	952,000
	<u>1,279,956</u>	<u>2,950,069</u>
	<u>53,142,352</u>	<u>55,403,108</u>
Net assets ("NA") per share (RM)	<u>0.22</u>	<u>0.23</u>

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE QUARTER ENDED 30 SEPTEMBER 2009
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Sep-09 RM	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-08 RM	CURRENT YEAR TO DATE 30-Sep-09 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-08 RM
Revenue	7,171,022	12,464,915	29,028,296	36,084,456
Cost of sales	(5,026,562)	(10,026,136)	(22,789,535)	(29,572,579)
Gross profit	<u>2,144,460</u>	<u>2,438,779</u>	<u>6,238,761</u>	<u>6,511,877</u>
Other income	67,752	262,949	967,559	670,267
Operating expenses	(1,260,778)	(1,121,487)	(7,791,629)	(4,734,969)
Finance cost	(48,840)	(131,063)	(169,651)	(395,795)
Profit/(Loss) before tax	<u>902,594</u>	<u>1,449,178</u>	<u>(754,960)</u>	<u>2,051,380</u>
Tax expense	-	(30,000)	(45,000)	(176,000)
Profit/ (Loss) after tax	<u><u>902,594</u></u>	<u><u>1,419,178</u></u>	<u><u>(799,960)</u></u>	<u><u>1,875,380</u></u>
Earnings/(Loss) per share - (Sen)				
Basic	0.39	0.62	(0.35)	0.81
Diluted	NA	NA	NA	NA

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009
(The figures have not been audited)

	Share Capital RM	← Non-Distributable Share Premium RM	Exchange Translation Reserve RM	→ Distributable Retained Profits RM	Total RM
<u>Period ended 30 September 2009</u>					
At 1 January 2009	23,056,291	8,527,123	89,455	20,780,170	52,453,039
Exchange translation differences	-	-	209,317	-	209,317
Net loss for the year	-	-	-	(799,960)	(799,960)
Total recognised income and expense	-	-	209,317	(799,960)	(590,643)
At 30 September 2009	23,056,291	8,527,123	298,772	19,980,210	51,862,396
<u>Period ended 30 September 2008</u>					
At 1 January 2008	23,056,291	8,553,773	55,947	19,532,544	51,198,555
Exchange translation differences	-	-	126,141	-	126,141
Share issue expenses written-off	-	(26,650)	-	-	(26,650)
Net profit for the year	-	-	-	1,875,380	1,875,380
Total recognised income and expense	-	(26,650)	126,141	1,875,380	1,974,871
At 30 September 2008	23,056,291	8,527,123	182,088	21,407,924	53,173,426

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

(The figures have not been audited)

	CURRENT YEAR TO DATE 30-Sep-09 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-08 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax	(754,960)	2,051,380
Adjustments for:		
Amortisation and depreciation	2,975,081	3,356,212
Interest expense	169,651	395,795
Loss on disposal of subsidiary company	3,627,051	-
Property, plant and equipment written off	7,827	-
Gain on disposal of property, plant and equipment	(122,496)	-
Unrealised loss/(gain) on foreign exchange	108,883	(484,294)
Interest income	(212,117)	(294,769)
Operating profit before working capital changes	5,798,920	5,024,324
Decrease/(Increase) in inventories	1,045,794	(2,182,125)
(Increase)/Decrease in receivables	(5,121,803)	2,466,553
Increase/(Decrease) in payables	2,530,357	(1,838,146)
Cash generated from operations	4,253,268	3,470,606
Income taxes refunded	-	73,873
Income taxes paid	(346,671)	(410,769)
Net cash from operating activities	3,906,597	3,133,710
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,166,564)	(2,357,733)
Interest received	212,117	294,769
Proceeds from disposal of subsidiary, net of cash in subsidiary disposed	5,959,253	-
Proceeds from disposal of property, plant and equipment	942,743	-
Net cash from/(used in) investing activities	3,947,549	(2,062,964)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(169,651)	(395,795)
Listing and share issue expenses paid	-	(26,650)
Repayment of term loans	-	(805,277)
Repayment of hire purchase obligations	(1,806,985)	(2,078,144)
Decrease in short term bank borrowings	(702,565)	(1,720,000)
Net cash used in financing activities	(2,679,201)	(5,025,866)
Net increase/ (decrease) in cash and cash equivalents	5,174,945	(3,955,120)
Effect of exchange rate changes	(26,867)	107,304
Cash and cash equivalents brought forward	13,885,885	17,758,324
Cash and cash equivalents carried forward	19,033,963	13,910,508
<u>Cash and cash equivalents comprise:</u>		
Short-term funds	13,539,392	8,277,038
Cash and bank balances	5,494,571	5,633,470
	19,033,963	13,910,508

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 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 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.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

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

B1 Review of performance

The Group recorded a profit before tax ("PBT") of approximately RM0.90 million for the current quarter as compared to the PBT of approximately RM1.45 million in the preceding year corresponding quarter. Revenue for the current quarter decreased by approximately 42.46% to approximately RM7.17 million as compared to approximately RM12.46 million in the preceding year corresponding quarter as revenue for the current quarter was solely contributed by the precision engineering division subsequent to the cessation of the coil division of the Group pursuant to the completion of the disposal of QB Technology Sdn Bhd ("QBT"), a wholly-owned subsidiary of MQ in June 2009. In line with the lower revenue achieved, the Group's PBT decreased from approximately RM1.45 million recorded in the preceding year corresponding quarter to approximately RM0.90 million in the current quarter.

The Group registered a revenue and loss before tax ("LBT") of approximately RM29.03 million and RM0.75 million respectively for the current year-to-date. As compared to the preceding year corresponding year-to-date revenue and PBT of approximately RM36.08 million and RM2.05 million respectively, revenue has decreased by approximately 19.54% for the current year-to-date mainly due to lower revenue recorded from the coil division of the Group pursuant to the completion of the disposal of QBT in June 2009. The LBT of approximately RM0.76 million registered in the current year-to-date was mainly contributed by the loss incurred on the disposal of QBT of approximately RM3.63 million.

B2 Variation of results against immediate preceding quarter

For the current quarter, the Group recorded revenue of approximately RM7.17 million as compared to RM11.11 million in the preceding quarter and a PBT of approximately RM0.90 million as compared to RM0.85 million in the preceding quarter. The decrease in revenue was mainly due to revenue for the current quarter was solely contributed by the precision engineering division subsequent to the cessation of the coil division of the Group in June 2009. Despite the drop in revenue, PBT improved by approximately 5.88% mainly attributed to higher sales recorded by the precision engineering division of the Group in the current quarter which commands higher margin. Further, as compared to the current quarter, the lower PBT recorded in the preceding quarter was also partly due to loss incurred on the disposal of QBT in the preceding quarter.

B3 Prospects for the forthcoming financial year

Barring any unforeseen circumstances, the Board expects its business prospects for the financial year ending 31 December 2009 to be challenging.

B4 Profit estimate, forecast, projection, internal targets or 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 2009.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-09 RM	Preceding year corresponding quarter 30-Sep-08 RM	Current year to date 30-Sep-09 RM	Preceding year corresponding period 30-Sep-08 RM
Tax based on results for the quarter/period: Malaysian income tax	-	30,000	45,000	176,000

No provision for taxation was made for the current quarter as there was an overprovision in the preceding quarter. The effective tax rate of the Group for the current financial year-to-date under review was lower than the statutory tax rate 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 is exempted from income tax for a period of 5 years and a foreign subsidiary in Thailand, MPT Solution Co. Ltd., is entitled to corporate income tax exemption for certain income and privileges as prescribed by the Board of Investment for a period of 8 years.

B6 Sale of unquoted investments and/or properties

There was no sale of unquoted investments or properties during the current quarter and financial year-to-date under review.

B7 Purchase or sale of quoted securities

There was no purchase or sale of quoted securities during the current quarter and financial year-to-date under review.

B8 Status of Corporate Proposals

There were no other corporate proposals announced but not completed as at 19 November 2009 (being the latest practicable date which shall not be earlier than 7 days from the date of this announcement).

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER ENDED 30 SEPTEMBER 2009

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

B9 Group's borrowings and debt securities

		As at 30-Sep-09 RM
(a) <u>Short term borrowings</u>		
Secured		1,826,709
Unsecured		-
		1,826,709
(b) <u>Long term borrowings</u>		
Secured		797,956
Unsecured		-
		797,956
Borrowings denominated in foreign currency:		
	THB	RM (Equivalent)
Thai Baht ("THB")	933,946	96,764

B10 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at 19 November 2009 (being the latest practicable date which shall not be earlier than 7 days from the date of this announcement).

B11 Material litigation

There were no material litigations pending since the end of the previous financial year ended 31 December 2008 to 19 November 2009 (being the date not earlier than 7 days from the date of this announcement).

B12 Dividends

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

B13 Earnings/(Loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-09	Preceding year corresponding quarter 30-Sep-08	Current year to date 30-Sep-09	Preceding year corresponding period 30-Sep-08
Net profit/(loss) attributable to shareholders (RM)	902,594	1,419,178	(799,960)	1,875,380
Weighted average number of ordinary shares in issue	230,562,907	230,562,907	230,562,907	230,562,907
Earnings/(loss) per share - (Sen)				
Basic	0.39	0.62	(0.35)	0.81
Diluted	NA	NA	NA	NA

B14 Auditor's report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the financial year ended 31 December 2008 in their report dated 31 March 2009.

B15 Authorise for issue

The interim financial statements were authorised for issue by the Board of Directors on 25 November 2009.