

MQ TECHNOLOGY BERHAD

(Company No. 635804-H)

(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2012**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**

The Group recorded lower revenue at RM4.40 million in the current quarter as compared to RM7.03 million in the corresponding quarter last year. The lower revenue was mainly due to the contraction in demand from the overall market of hard disk. Consequently, the Group registered a wider loss before tax of RM2.31 million as compared to loss before tax of RM0.47 million in the preceding year corresponding quarter mainly due to a lower revenue achieved as well as price erosion triggered by the competition in the market place arising from the economic slowdown.

B2 Variation of results against immediate preceding quarter

For the third quarter ended 30 September 2012, the Group recorded lower revenue at RM4.40 million as compared to the revenue of RM9.00 million in the preceding quarter. The decrease in revenue by RM4.60 million (51.1%) to RM4.4 million was mainly due to lower market demand from the overall market of hard disk. Subsequently, the Group suffered a loss before tax of RM2.31 million as compared to profit before tax of RM0.66 million in the preceding quarter mainly due to lower revenue achieved.

B3 Prospects for the forthcoming financial year

We will continue to focus and expand on our core business in the design, development and manufacture of advanced suspension tooling, progressive tooling, machine parts, semiconductor application for hard disk drives and semiconductor industries.

Notwithstanding that, we will continuously seek opportunity for business growth and looking for new market opportunities in order to strengthen the Group's financial performance. Barring any unforeseen circumstances, we are optimistic of achieving better results for the next financial year.

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 2012.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-12 RM	Preceding year corresponding quarter 30-Sep-11 RM	Current year to date 30-Sep-12 RM	Preceding year corresponding period 30-Sep-11 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) 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 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

There was no corporate proposal announced but not completed as at the date of this report.

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B9 Group's borrowings and debt securities

	AS AT 30-Sep-12 RM
<u>Secured</u>	
Short term borrowings	3,095,096
Long term borrowings	2,853,090
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	5,948,186

B10 Realised and Unrealised Profit or Losses

	As at 30-Sep-12	As at 31-Dec-11
Total retained profits of the Company and its subsidiaries:-		
- Realised	20,544,522	21,723,798
- Unrealised	(115,518)	21,648
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	20,429,004	21,745,446
Less: Consolidation adjustments and eliminations	(2,412,874)	(2,344,975)
Total retained profits as per statement of financial position	<hr/>	<hr/>
	18,016,130	19,400,471

B11 Loss for the Period

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-12 RM	Preceding year corresponding quarter 30-Sep-11 RM	Current year to date 30-Sep-12 RM	Preceding year corresponding period 30-Sep-11 RM
Loss for the period is arrived at after crediting:				
Interest income	86,874	79,894	253,500	230,428
Other income	108	5,425	12,045	39,021
Foreign exchange gain	125,430	481,179	220,029	794,483
and after charging:				
Interest expense	95,079	88,369	272,590	282,537
Depreciation	1,186,467	913,344	3,848,336	3,239,214
Foreign exchange loss	145,409	64,375	457,288	557,567

There were no gain or loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain or loss on derivatives or exceptional items for current quarter and financial period end 30 September 2012 (31 December 2011: 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 litigations pending since 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 Earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-12	Preceding year corresponding quarter 30-Sep-11	Current year to date 30-Sep-12	Preceding year corresponding period 30-Sep-11
Net profit/(loss) attributable to shareholders (RM)	(2,305,231)	(467,731)	(1,384,341)	(2,998,152)
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	(1.00)	(0.20)	(0.60)	(1.30)
Diluted	NA	NA	NA	NA

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 2011 in their report dated 3 April 2012.

B17 Authorise for issue

The interim financial statements were authorised for issue by the Board of Directors on 22 November 2012.