

MQ TECHNOLOGY BERHAD

(Company No. 635804-H)
(Incorporated in Malaysia)

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 MARCH 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-15 RM '000	31-Mar-14 RM '000	31-Mar-15 RM '000	31-Mar-14 RM '000
1 Revenue	5,096	2,782	5,096	2,782
2 Profit/(Loss) before tax	10	(3,171)	10	(3,171)
3 Profit/(Loss) for the period	10	(3,171)	10	(3,171)
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	518	(3,139)	518	(3,139)
5 Basic Profit/(loss) per share	-	(1.43)	-	(1.43)
6 Proposed/Declared dividend per share	-	-	-	-
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
			31-Mar-15	31-Mar-14
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			0.10	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
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Net (loss)/profit for the period - RM	10,316	(3,171,418)	10,316	(3,171,418)
Number of shares in issue	253,618,907	222,313,356	253,618,907	222,313,356
Profit/(Loss) per share (sen) - Basic	-	(1.43)	-	(1.43)

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2015
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Mar-15 RM	PRECEDING YEAR CORRESPONDING QUARTER 31-Mar-14 RM	CURRENT YEAR TO DATE 31-Mar-15 RM	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-14 RM
Revenue	5,096,348	2,782,347	5,096,348	2,782,347
Cost of sales	(3,882,455)	(4,283,738)	(3,882,455)	(4,283,738)
Gross Profit/(loss)	<u>1,213,892</u>	<u>(1,501,391)</u>	<u>1,213,892</u>	<u>(1,501,391)</u>
Other income	50,071	18,876	50,071	18,876
Operating expenses	(1,150,494)	(1,641,805)	(1,150,494)	(1,641,805)
Finance cost	(103,153)	(47,098)	(103,153)	(47,098)
Profit/(Loss) before tax	<u>10,316</u>	<u>(3,171,418)</u>	<u>10,316</u>	<u>(3,171,418)</u>
Tax income	-	-	-	-
Net Profit/(loss) for the period	<u><u>10,316</u></u>	<u><u>(3,171,418)</u></u>	<u><u>10,316</u></u>	<u><u>(3,171,418)</u></u>
Other comprehensive Profit/(loss) after tax:				
Exchange translation differences	507,266	32,674	507,266	32,674
Other comprehensive profit for the period, net of tax	<u>507,266</u>	<u>32,674</u>	<u>507,266</u>	<u>32,674</u>
Total comprehensive income/(loss) for the period	<u><u>517,582</u></u>	<u><u>(3,138,744)</u></u>	<u><u>517,582</u></u>	<u><u>(3,138,744)</u></u>
Attributable to:				
Equity holders of the Company	<u><u>517,582</u></u>	<u><u>(3,138,744)</u></u>	<u><u>517,582</u></u>	<u><u>(3,138,744)</u></u>
Earnings per share - (Sen)				
Basic	0.00	(1.43)	0.00	(1.43)
Diluted	NA	NA	NA	NA

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015
(The figures have not been audited)

	UNAUDITED AS AT 31-Mar-15 RM	AUDITED AS AT 31-Dec-14 RM
NON-CURRENT ASSETS		
Property, plant and equipment	26,457,313	26,378,663
Prepaid lease payments	-	-
Goodwill on consolidation	-	-
	26,457,313	26,378,663
CURRENT ASSETS		
Inventories	941,498	715,351
Trade and other receivables	4,554,894	4,238,094
Current tax assets	317,341	231,448
Cash and bank balances	3,600,064	4,911,189
	9,413,798	10,096,082
CURRENT LIABILITIES		
Trade payables	2,384,650	2,977,964
Borrowings	1,313,309	1,797,742
	3,697,959	4,775,706
NET CURRENT ASSETS		
	5,715,839	5,320,376
	32,173,152	31,699,040
FINANCED BY		
Share capital	25,361,891	25,361,891
Treasury shares	-	-
Share premium	8,387,534	8,387,534
Exchange translation reserve	839,634	332,368
Revaluation Reserve	6,315,269	6,315,269
Accumulated losses	(15,215,936)	(15,226,253)
SHAREHOLDERS' EQUITY	25,688,392	25,170,809
NON-CURRENT LIABILITIES		
Borrowings	4,544,051	4,587,522
Deferred tax liabilities	1,940,709	1,940,709
	6,484,760	6,528,231
	32,173,152	31,699,040
Net assets ("NA") per share (RM)	0.10	0.10

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2015
(The figures have not been audited)

	←	Non-Distributable			→		
	Share Capital	Treasury Shares	Share Premium	Exchange Translation Reserve	Assets Revaluation Reserve	Distributable (Accumulated Losses)	Total
	RM	RM	RM	RM	RM	RM	RM
Period ended 31 March 2015							
At 1 January 2015	25,361,891	-	8,387,534	332,368	-	(15,226,253)	18,855,540
Exchange translation differences	-	-	-	507,266	-	-	507,266
Private Placement	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Resale of treasury shares	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	10,316	10,316
Total comprehensive income for the year	-	-	-	507,266	-	10,316	517,582
At 31 March 2015	25,361,891	-	8,387,534	839,634	-	(15,215,936)	19,373,122
Period ended 31 December 2014							
At 1 January 2014	23,056,291	(1,232,597)	8,616,847	(14,778)	-	(8,195,034)	22,230,729
Exchange translation differences	-	-	-	347,146	-	-	347,146
Revaluation of Property, Plant and Equipment	-	-	-	-	6,315,268	-	6,315,268
Private Placement	2,305,600	-	-	-	-	-	2,305,600
Payment of Private Placement Expenses	-	-	(67,028)	-	-	-	(67,028)
Purchase of own shares	-	-	-	-	-	-	-
Reissue of treasury shares	-	1,232,597	(162,285)	-	-	-	1,070,312
Net loss for the year	-	-	-	-	-	(7,031,219)	(7,031,219)
Total comprehensive loss for the year	-	1,232,597	(229,313)	347,146	6,315,268	(7,031,219)	2,940,079
At 31 December 2014	25,361,891	-	8,387,534	332,368	6,315,268	(15,226,253)	25,170,808

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2015
(The figures have not been audited)

	CURRENT YEAR TO DATE 31-Mar-15 RM	PRECEDING YEAR CORRESPONDING PERIOD 31-Mar-14 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	10,316	(8,157,608)
Adjustments for:		
Depreciation	874,403	5,444,817
Interest expense	103,153	281,082
Property, plant and equipment written off	3,263	41,187
Loss/(Gain) on disposal of property, plant and equipment	(35,769)	(226,706)
Unrealised loss/(gain) on foreign exchange	48,127	(146,547)
Interest income	(300)	(152,314)
Operating (loss)/profit before working capital changes	1,003,194	(2,916,089)
Increase/decrease in inventories	(226,147)	138,877
Increase/decrease in receivables	(316,800)	2,704,894
Decrease in payables	(593,314)	(1,613,041)
Cash used in operations	(133,068)	(1,685,359)
Income taxes paid	(85,892)	(81,440)
Net cash used in operating activities	(218,960)	(1,731,599)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(577,258)	(352,910)
Interest received	300	152,314
Proceeds from disposal of property, plant and equipment	-	243,814
Net cash used in investing activities	(576,958)	43,218
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(103,153)	(281,082)
Resale of treasury shares	-	1,306,250
Purchase of own shares	-	(1,568,724)
Repayment of term loans	(250,002)	-
Repayment of hire purchase obligations	(299,040)	(3,089,203)
Net cash generated/(used) in financing activities	(652,195)	(3,632,759)
Effect of exchange rate changes	136,989	67,198
Net decrease in cash and cash equivalents	(1,311,125)	(5,253,942)
Cash and cash equivalents brought forward	4,911,189	11,752,003
Cash and cash equivalents carried forward	3,600,064	6,498,061
Cash and cash equivalents comprise:		
Short-term funds	-	3,972,986
Cash and bank balances	3,600,064	2,525,075
	3,600,064	6,498,061

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2015

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 2014.

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 except for the following:-

The details of shares held as treasury shares for the period ended 31 March 2015 are as follows:

	Number of Treasury shares
Balance as at 31 January 2015	8,940,100
Repurchased during the year	-
Resale during the year	(8,940,100)
Balance as at 31 March 2015	-

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 Current year quarter 31-Mar-15	Preceding year corresponding quarter 31-Mar-14	CUMULATIVE QUARTER Current year to date 31-Mar-15	Preceding year corresponding period 31-Mar-14
Malaysia	633,560	363,412	633,560	363,412
Thailand	5,243	1,404,812	5,243	1,404,812
Other Asia Pacific countries	321,043	19,099	321,043	19,099
United States of America	3,022,412	994,774	3,022,412	994,774
	3,982,258	2,782,097	3,982,258	2,782,097

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2015

A NOTES TO THE INTERIM FINANCIAL REPORT

	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
Malaysia	24,806,035	17,454,878	(105,719)	7,329
Thailand	7,551,295	6,013,586	(471,539)	92,075
	<u>32,357,330</u>	<u>23,468,464</u>	<u>(577,258)</u>	<u>99,404</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. AsAt 31 March 2015, all property, plant and equipment were stated at cost 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 31 December 2014 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 RM11,507,400 (2014: RM11,507,400) of which RM5,767,472 (2014: RM6,265,993) has been utilised as at the balance sheet date.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2015**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 a revenue of RM5.10 million for the quarter under review, a RM2.31 million increase compared to the previous year's corresponding quarter. The higher revenue was mainly due to the increase in sales volume from the major customer who only started giving more business to the Group since mid of 2014.

The Group recorded a profit before tax of RM0.010 million compared to the loss before tax of RM3.17 million in the previous corresponding quarter. The better earnings performance is due to much higher sales which had contributed to sufficient margin to cover the total cost of the Group. The Group had also benefited from lower cost as a result of cost reduction measures taken to improve operation efficiency & achieve leaner cost structure.

Total comprehensive income attributable to equity holders jumped to RM 0.5 million because of exchange translation gain during the quarter. The translation gain is due to the appreciation of Thai bahts by over 7.5% during the quarter, hence the increase in value in RM of the Group assets in Thailand.

B2 Variation of results against immediate preceding quarter

The Group recorded a profit before tax of RM 0.010 million compared to the profit before tax of RM0.46 million in the preceding quarter. The lower profit was mainly attributed to lower sales and higher proportion of sales with lower amount of inhouse processing for the Group.

B3 Prospects for the forthcoming financial year

Sales during the coming quarter is expected to be softer due to the seasonal business from the Group's major customer from the HDD sector. Sales is expected to improve during the second half of the year with higher proportion coming from the non HDD sector due to greater efforts taken to grow sales in the non HDD 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 2014.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31-Mar-15 RM	Preceding year corresponding quarter 31-Mar-14 RM	Current year to date 31-Mar-15 RM	Preceding year corresponding period 31-Mar-14 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 second period of 5 years (2015 up to 2020).

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.

B9 Group's borrowings and debt securities

	AS AT 31-Mar-15 RM
<u>Secured</u>	
Short term borrowings	1,313,309
Long term borrowings	4,544,051
	<u>5,857,360</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 MARCH 2015

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

B10 Realised and Unrealised Profit or Losses

	As at 31-Mar-15	As at 31-Dec-14
Total retained profits of the Company and its subsidiaries:-		
- Realised (loss)	(25,045,840)	(24,982,181)
- Unrealised (loss)/profit	48,127	(5,849)
	(24,997,713)	(24,988,030)
Less: Consolidation adjustments and eliminations	9,781,777	9,761,777
Total Accumulated losses as per statement of financial position	(15,215,936)	(15,226,253)

B11 Loss for the Period

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31-Mar-15 RM	Preceding year corresponding quarter 31-Mar-14 RM	Current year to date 31-Mar-15 RM	Preceding year corresponding period 31-Mar-14 RM
Loss for the period is arrived at after crediting:				
Interest income	300	16,801	300	16,801
Other income	50,071	2,075	50,071	2,075
Gain on disposal of property, plant and equipment	35,769	16,123	35,769	16,123
Foreign exchange gain	48,127	152,975	48,127	152,975
and after charging:				
Interest expense	103,153	47,098	103,153	47,098
Depreciation	874,403	1,311,934	874,403	1,311,934
Foreign exchange loss	-	149,997	-	149,997

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 31 March 2015 (31 March 2014: 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 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 Profit/(Loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31-Mar-15	Preceding year corresponding quarter 31-Mar-14	Current year to date 31-Mar-15	Preceding year corresponding period 31-Mar-14
Net profit/(loss) attributable to shareholders (RM)	10,316	(3,171,418)	10,316	(3,171,418)
Weighted average number of ordinary shares in issue	253,618,907	221,622,807	253,618,907	221,622,807
Profit/(Loss) per share - (Sen)				
Basic	-	(1.43)	-	(1.43)
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 2014 in their report dated 14 April 2015.

B17 Authorise for issue

The interim financial statements were authorised for issue by the Board of Directors on 19 May 2015.