

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

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE QUARTER ENDED 30 SEPTEMBER 2015

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-15 RM '000	30-Sep-14 RM '000	30-Sep-15 RM '000	30-Sep-14 RM '000
1 Revenue	3,486	3,326	12,624	8,594
2 Profit/(Loss) before tax	(838)	(3,417)	(1,739)	(7,272)
3 Profit/(Loss) for the period	(838)	(3,416)	(1,739)	(7,272)
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	(339)	(3,795)	(881)	(7,409)
5 Basic Profit/(loss) per share	(0.33)	(1.35)	(0.69)	(2.87)
6 Proposed/Declared dividend per share	-	-	-	-
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			30-Sep-15 0.10	30-Sep-14 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
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Net (loss)/profit for the period - RM	<u>(838,293)</u>	<u>(3,415,982)</u>	<u>(1,738,912)</u>	<u>(7,271,550)</u>
Number of shares in issue	278,980,707	253,618,907	278,980,707	253,618,907
Profit/(Loss) per share (sen) - Basic	(0.33)	(1.35)	(0.69)	(2.87)

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2015
(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Sep-15 RM	PRECEDING YEAR CORRESPONDING QUARTER 30-Sep-14 RM	CURRENT YEAR TO DATE 30-Sep-15 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-14 RM
Revenue	3,485,580	3,325,813	12,624,075	8,593,525
Cost of sales	(3,621,810)	(3,861,253)	(11,259,322)	(11,491,194)
Gross Profit/(loss)	<u>(136,230)</u>	<u>(535,440)</u>	<u>1,364,753</u>	<u>(2,897,669)</u>
Other income	132,682	(1,762,740)	228,054	(235,529)
Operating expenses	(732,604)	(1,029,821)	(3,024,053)	(3,964,815)
Finance cost	(102,142)	(88,844)	(307,667)	(174,400)
Profit/(Loss) before tax	<u>(838,293)</u>	<u>(3,416,845)</u>	<u>(1,738,912)</u>	<u>(7,272,413)</u>
Tax income	-	863	-	863
Net Profit/(loss) for the period	<u><u>(838,293)</u></u>	<u><u>(3,415,982)</u></u>	<u><u>(1,738,912)</u></u>	<u><u>(7,271,550)</u></u>
Other comprehensive Profit/(loss) after tax:				
Exchange translation differences	499,654	(378,735)	857,539	(137,065)
Other comprehensive profit for the period, net of tax	<u>499,654</u>	<u>(378,735)</u>	<u>857,539</u>	<u>(137,065)</u>
Total comprehensive income/(loss) for the period	<u><u>(338,640)</u></u>	<u><u>(3,794,717)</u></u>	<u><u>(881,374)</u></u>	<u><u>(7,408,615)</u></u>
Attributable to:				
Equity holders of the Company	<u><u>(338,640)</u></u>	<u><u>(3,794,717)</u></u>	<u><u>(881,374)</u></u>	<u><u>(7,408,615)</u></u>
Earnings per share - (Sen)				
Basic	(0.33)	(1.35)	(0.69)	(2.87)
Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015
(The figures have not been audited)

	UNAUDITED AS AT 30-Sep-15 RM	AUDITED AS AT 31-Dec-14 RM
NON-CURRENT ASSETS		
Property, plant and equipment	26,834,523	26,378,663
	26,834,523	26,378,663
CURRENT ASSETS		
Inventories	894,973	715,351
Trade and other receivables	7,645,886	4,238,094
Current tax assets	434,451	231,448
Cash and bank balances	1,568,667	4,911,189
	10,543,977	10,096,082
CURRENT LIABILITIES		
Trade payables	3,067,893	2,977,964
Borrowings	815,712	1,797,742
	3,883,605	4,775,706
NET CURRENT ASSETS	6,660,372	5,320,376
	33,494,895	31,699,040
FINANCED BY		
Share capital	27,898,071	25,361,891
Share premium	8,387,534	8,387,534
Exchange translation reserve	1,189,907	332,368
Revaluation Reserve	6,315,269	6,315,269
Accumulated losses	(16,965,165)	(15,226,253)
SHAREHOLDERS' EQUITY	26,825,616	25,170,809
NON-CURRENT LIABILITIES		
Borrowings	4,728,569	4,587,522
Deferred tax liabilities	1,940,709	1,940,709
	6,669,278	6,528,231
	33,494,895	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 30 SEPTEMBER 2015**
(The figures have not been audited)

	Share Capital	Treasury Shares	Non-Distributable Share Premium	Exchange Translation Reserve	Assets Revaluation Reserve	Distributable (Accumulated Losses)	Total
	RM	RM	RM	RM	RM	RM	RM
Period ended 30 September 2015							
At 1 January 2015	25,361,891	-	8,387,534	332,368	6,315,269	(15,226,253)	25,170,809
Exchange translation differences	-	-	-	857,539	-	857,539	857,539
Private Placement	2,536,180	-	-	-	-	-	2,536,180
Purchase of own shares	-	-	-	-	-	-	-
Resale of treasury shares	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	(1,738,912)	(1,738,912)
Total comprehensive income for the year	2,536,180	-	-	857,539	-	(1,738,912)	1,654,807
At 30 September 2015	27,898,071	-	8,387,534	1,189,907	6,315,269	(16,965,165)	26,825,616
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	347,146
Revaluation of Property, Plant and Equipment	-	-	-	-	6,315,269	-	6,315,269
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	2,305,600	1,232,597	(229,313)	347,146	6,315,269	(7,031,219)	2,940,080
At 31 December 2014	25,361,891	-	8,387,534	332,368	6,315,269	(15,226,253)	25,170,809

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015
(The figures have not been audited)

	CURRENT YEAR TO DATE 30-Sep-15 RM	PRECEDING YEAR CORRESPONDING PERIOD 30-Sep-14 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(1,738,912)	(7,271,550)
Adjustments for:		
Depreciation	2,476,254	3,468,497
Interest expense	304,245	174,400
Property, plant and equipment written off	3,263	6,475
Loss/(Gain) on disposal of property, plant and equipment	(163,530)	(56,840)
Unrealised loss/(gain) on foreign exchange	(2,759)	(28,137)
Interest income	(1,888)	(2,000)
Operating (loss)/profit before working capital changes	876,673	(3,709,156)
Increase/decrease in inventories	(190,568)	(198,737)
Increase/decrease in receivables	(3,621,084)	(1,135,971)
Decrease in payables	132,878	164,057
Cash used in operations	(2,802,101)	(4,879,807)
Income taxes paid	(226,006)	(53,340)
Net cash used in operating activities	(3,028,107)	(4,933,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
* Purchase of property, plant and equipment	(1,504,256)	(1,943,800)
Interest received	1,888	2,000
Proceeds from disposal of property, plant and equipment	122,065	298,875
Net cash used in investing activities	(1,380,303)	(1,642,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(304,245)	(174,400)
Resale of treasury shares	-	1,070,312
Drawdown of Term Loan	366,690	5,000,000
Placement	2,536,180	2,305,600
Repayment of term loans	(761,664)	(166,668)
Repayment of hire purchase obligations	(902,622)	(1,519,236)
Net cash generated/(used) in financing activities	934,339	6,515,608
Effect of exchange rate changes	131,550	(243,335)
Net decrease in cash and cash equivalents	(3,342,522)	(303,799)
Cash and cash equivalents brought forward	4,911,189	6,498,061
Cash and cash equivalents carried forward	1,568,667	6,194,262
<u>Cash and cash equivalents comprise:</u>		
Short-term funds	-	-
Cash and bank balances	1,568,667	6,194,262
	1,568,667	6,194,262
* Purchase of property, plant and equipment		
Total acquisition cost	2,287,890	2,037,800
Acquired under finance lease arrangements	783,634	94,000
	1,504,256	1,943,800

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

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		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Malaysia	395,435	298,192	1,513,901	1,057,610
Thailand	1,867,013	1,402,590	5,207,479	4,073,381
Other Asia Pacific countries	16,779	112,253	351,920	426,372
United States of America	1,206,352	1,512,778	5,550,775	3,036,163
	3,485,580	3,325,813	12,624,075	8,593,526

	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
Malaysia	29,436,982	27,057,913	1,338,801	2,035,580
Thailand	7,507,063	6,977,138	949,089	685,000
	36,944,044	34,035,051	(1,504,256)	2,720,580

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2015

A NOTES TO THE INTERIM FINANCIAL REPORT

A8 Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the period under review. As At 30 September 2015, property, plant and equipment at cost except for land and buildings and improvements which are stated at valuations 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 30 September 2015 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 RM8,777,391.44(2014: RM11,507,400) of which RM5,297,917.06 (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 30 SEPTEMBER 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 RM3.49 million for the quarter under review, a RM0.16 million increase compared to the previous year's corresponding quarter. The higher revenue was mainly due to strengthening of the US dollars which had increased by more than 30% compared to the previous year's corresponding quarter.

The Group recorded a net loss of RM0.84 million for the quarter, a RM2.58 million decrease over the previous year's corresponding quarter. The high losses in the previous year's corresponding quarter is due mainly to reversal of other income of RM 1.5 million from sale of fixed assets recognised in earlier quarter but aborted in previous year's corresponding quarter. The other reasons for the smaller loss in the current quarter are the results of the cost reduction effort undertaken and strengthening of the US dollars vs Malaysian Ringgit.

Total comprehensive loss attributable to equity holders increased to RM0.34 million because of exchange translation loss during the quarter. The translation loss is due to the depreciation of Thai bahts compared to RM during the quarter.

B2 Variation of results against immediate preceding quarter

The Group recorded a smaller loss before tax of RM0.84 million compared to the loss before tax of RM0.91 million in the preceding quarter. During the quarter sales have decreased by RM0.56 million compared to preceding quarter. The Group performance (smaller loss) had improved even though revenues were lower mainly due to strengthening of the US dollars

B3 Prospects for the forthcoming financial year

Sales during the coming quarter is expected to improve due to receipts of delayed orders expected for quarter ended September, 2015. Sales is expected grow further during the last quarter of 2015 which is the peak demand period from existing customer in the HDD sector, and from the non HDD sector gradually increasing their orders.

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 30-Sep-15 RM	Preceding year corresponding quarter 30-Sep-14 RM	Current year to date 30-Sep-15 RM	Preceding year corresponding period 30-Sep-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

On 1 October 2015, on behalf of the Board of Directors of MQ Technology Berhad, TA Securities Holdings Sdn Bhd announced that 2,536,180 Placement Shares representing 10% of the issued and paid-up capital of MQ Technology Berhad were issued pursuant to the Private Placement and were listed and quoted on the Ace Market of Bursa Malaysia Securities Berhad, marking the completion of the Private Placement. The utilization of the proceeds from Private Placement as at 13 November 2015 is as per the table as below:-

Purpose	Proceeds Raised RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Intended Timeframe for Utilisation	Explanation
1. Working Capital	2,416	1,309	1,107	March 2016	To be utilised by March 2016
2. Expenses in relation to the Private Placement	120	120	-		

B9 Group's borrowings and debt securities

<u>Secured</u>	AS AT 30-Sep-15
Short term borrowings	RM
Long term borrowings	815,712
	4,728,569
	<u>5,820,892</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 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 30-Sep-15	As at 30-Sep-14
Total retained profits of the Company and its subsidiaries:-		
- Realised (loss)	(17,202,466)	(30,496,596)
- Unrealised (loss)/profit	(2,759)	(28,137)
	(17,205,225)	(30,524,733)
Less: Consolidation adjustments and eliminations	240,060	15,058,149
Total Accumulated losses as per statement of financial position	(16,965,165)	(15,466,584)

B11 Loss for the Period

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30-Sep-15 RM	Preceding year corresponding quarter 30-Sep-14 RM	Current year to date 30-Sep-15 RM	Preceding year corresponding period 30-Sep-14 RM
Loss for the period is arrived at after crediting:				
Interest income	300	2,000	1,888	22,050
Other income/(Loss)	132,682	(1,762,740)	228,054	(235,529)
Gain on disposal of property, plant and equipment	127,761	(456,840)	163,530	(391,709)
Unrealised foreign exchange gain or (Loss)	78,092	(28,137)	2,759	110,103
Realised foreign exchange gain or (Loss)	292,833	95,804	593,256	132,436
and after charging:				
Interest expense	98,720	(174,400)	304,245	259,956
Depreciation	924,505	3,468,497	2,476,254	5,483,647
				-

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 30 September 2015.

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 30-Sep-15	Preceding year corresponding quarter 30-Sep-14	Current year to date 30-Sep-15	Preceding year corresponding period 30-Sep-14
Net profit/(loss) attributable to shareholders (RM)	(838,293)	(3,415,982)	(1,738,912)	(7,271,550)
Weighted average number of ordinary shares in issue	254,170,250	253,618,907	253,804,708	253,618,907
Profit/(Loss) per share - (Sen)				
Basic	(0.33)	(1.35)	(0.69)	(2.87)
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 16 November 2015.