

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

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE QUARTER ENDED 31 DECEMBER 2015**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM '000	RM '000	RM '000	RM '000
1 Revenue	5,325	5,241	17,950	13,831
2 Profit/(Loss) before tax	145	238	(1,560)	(7,041)
3 Profit/(Loss) for the period	151	243	(1,560)	(7,031)
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	548	590	(833)	(6,684)
5 Basic Profit/(loss) per share	0.05	0.10	(0.61)	(2.93)
6 Proposed/Declared dividend per share	-	-	-	-
			<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
			<b>31-Dec-15</b>	<b>31-Dec-14</b>
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](http://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-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM	RM	RM	RM
Net (loss)/profit for the period - RM	151,056	243,020	(1,587,857)	(7,031,220)
Number of shares in issue	278,980,707	240,250,146	260,150,439	240,250,146
Profit/(Loss) per share (sen) - Basic	0.05	0.10	(0.61)	(2.93)

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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015**  
*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31-Dec-15 RM	PRECEDING YEAR CORRESPONDING QUARTER 31-Dec-14 RM	CURRENT YEAR TO DATE 31-Dec-15 RM	PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-14 RM
Revenue	5,325,475	5,240,824	17,949,550	13,831,660
Cost of sales	(3,842,857)	(4,506,438)	(15,102,179)	(15,997,632)
Gross Profit/(loss)	1,482,618	734,386	2,847,371	(2,165,972)
Other income	350,563	526,378	418,318	424,799
Operating expenses	(1,592,124)	(913,091)	(4,455,877)	(5,015,660)
Finance cost	(96,078)	(109,704)	(403,745)	(284,104)
Profit/(Loss) before tax	144,980	237,969	(1,593,933)	(7,040,937)
Tax income	6,076	5,051	6,076	9,717
Net Profit/(loss) for the period	151,056	243,020	(1,587,857)	(7,031,220)
Other comprehensive Profit/(loss) after tax:	-			
Exchange translation differences	367,205	347,146	725,090	347,146
Other comprehensive profit for the period, net of tax	367,205	347,146	725,090	347,146
Total comprehensive income/(loss) for the period	518,261	590,166	(862,767)	(6,684,074)
Attributable to:				
Equity holders of the Company	518,261	590,166	(862,767)	(6,684,074)
Earnings per share - (Sen)				
Basic	0.05	0.10	(0.61)	(2.93)
Diluted	NA	NA	NA	NA

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

	<b>UNAUDITED AS AT 31-Dec-15 RM</b>	<b>AUDITED AS AT 31-Dec-14 RM</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	26,181,098	26,378,663
	<u>26,181,098</u>	<u>26,378,663</u>
<b>CURRENT ASSETS</b>		
Inventories	1,161,820	715,351
Trade and other receivables	7,836,315	4,238,094
Current tax assets	433,338	231,448
Cash and bank balances	2,136,268	4,911,189
	<u>11,567,741</u>	<u>10,096,082</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	3,799,917	2,977,964
Borrowings	746,371	1,797,742
	<u>4,546,288</u>	<u>4,775,706</u>
<b>NET CURRENT ASSETS</b>	7,021,453	5,320,376
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	4,553,407	4,587,522
Deferred tax liabilities	1,934,633	1,940,709
	<u>6,488,040</u>	<u>6,528,231</u>
<b>NET ASSETS</b>	<u><u>26,714,511</u></u>	<u><u>25,170,808</u></u>
<b>FINANCED BY</b>		
Share capital	27,898,071	25,361,891
Treasury shares	-	-
Share premium	8,257,853	8,387,534
Exchange translation reserve	1,057,458	332,368
Revaluation Reserve	6,315,269	6,315,268
Accumulated losses	(16,814,140)	(15,226,253)
<b>SHAREHOLDERS' EQUITY</b>	<u><u>26,714,511</u></u>	<u><u>25,170,808</u></u>
Net assets ("NA") per share (RM)	<u>0.10</u>	<u>0.10</u>

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 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
<b>Period ended 31 December 2015</b>							
At 1 January 2015	25,361,891	-	8,387,534	332,368	-	(15,226,253)	18,855,540
Exchange translation differences	-	-	-	725,090	-	-	725,090
Private Placement	2,536,180	-	(129,681)	-	-	-	2,406,499
Purchase of own shares	-	-	-	-	-	-	-
Resale of treasury shares	-	-	-	-	-	-	-
Net Profit for the year	-	-	-	-	-	(1,587,857)	(1,587,857)
Total comprehensive income for the year	2,536,180	-	(129,681)	725,090	-	(1,587,857)	1,543,732
At 31 December 2015	27,898,071	-	8,257,853	1,057,458	-	(16,814,140)	20,399,272
<b>Period ended 31 December 2014</b>							
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	-	(67,028)	-	-	-	2,305,600
Payment of Private Placement Expenses	-	-	-	-	-	-	(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	6,315,268	(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

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2015**  
*(The figures have not been audited)*

	<b>CURRENT YEAR TO DATE 31-Dec-15 RM</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31-Dec-14 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(1,593,933)	(7,271,550)
Adjustments for:		
Depreciation	3,080,269	3,468,497
Interest expense	395,162	174,400
Property, plant and equipment written off	3,263	6,475
Loss/(Gain) on disposal of property, plant and equipment	(171,191)	(56,840)
Unrealised loss/(gain) on foreign exchange	4,047	(28,137)
Interest income	(2,895)	(2,000)
Operating (loss)/profit before working capital changes	1,714,722	(3,709,156)
Increase/decrease in inventories	(437,585)	(198,737)
Increase/decrease in receivables	(3,468,873)	(1,135,971)
Decrease in payables	803,681	164,057
Cash used in operations	(1,388,055)	(4,879,807)
Income taxes refunded	36,000	
Income taxes paid	(158,713)	(53,340)
Net cash used in operating activities	(1,510,768)	(4,933,147)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,332,858)	(2,037,800)
Interest received	2,895	2,000
Proceeds from disposal of property, plant and equipment	143,921	298,875
Subscription for shares in subsidiary	(312,500)	-
Net cash used in investing activities	(2,498,542)	(1,736,925)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(395,162)	(174,400)
Resale of treasury shares	-	1,070,312
Drawdown of Term Loan	1,128,856	5,000,000
Acquisition of Hire Purchase	-	94,000
Proceeds from private placement/new share issues	2,719,001	2,305,600
Repayment of term loans	(1,022,885)	(166,668)
Repayment of hire purchase obligations	(1,221,357)	(1,519,236)
Net cash generated/(used) in financing activities	1,208,453	6,609,608
Net decrease in cash and cash equivalents	(2,800,857)	(60,464)
Effect of exchange rate changes	25,936	(243,335)
Cash and cash equivalents brought forward	4,911,189	6,498,061
Cash and cash equivalents carried forward	2,136,268	6,194,262
<u>Cash and cash equivalents comprise:</u>		
Short-term funds	-	-
Cash and bank balances	2,136,268	6,194,262
	2,136,268	6,194,262

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 2015.

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.

	<b>SEGMENT REVENUE</b>			
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current year quarter 31-Dec-15</b>	<b>Preceding year corresponding quarter 31-Dec-14</b>	<b>Current year to date 31-Dec-15</b>	<b>Preceding year corresponding period 31-Dec-14</b>
Malaysia	1,358,483	446,255	2,834,044	1,503,865
Thailand	1,947,482	1,519,888	6,446,546	5,590,579
Other Asia Pacific countries	7,557	1,395	358,378	427,767
United States of America	2,011,952	3,273,286	8,310,581	6,309,449
	<b>5,325,475</b>	<b>5,240,824</b>	<b>17,949,550</b>	<b>13,831,660</b>
	 <b>SEGMENT ASSETS</b>			
	<b>31-Dec-15</b>	<b>31-Dec-14</b>	<b>CAPITAL EXPENDITURE</b>	
			<b>31-Dec-15</b>	<b>31-Dec-14</b>
Malaysia	29,982,873	27,057,913	1,393,812	2,035,580
Thailand	7,368,547	6,977,138	939,046	685,000
	<b>37,351,420</b>	<b>34,035,051</b>	<b>2,332,858</b>	<b>2,720,580</b>

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 31 December 2015, property, plant and equipment at cost except for land and buildings and improvements which are stated at valuations less

**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 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 RM9,241,400(2014: RM11,507,400) of which RM4,544,576 (2014: RM6,265,993) has been utilised as at the balance sheet date.

**MQ TECHNOLOGY BERHAD**

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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**

For the quarter under review, Group 's revenue at RM 5.32 million only showed a slight increase of RM 0.09 million. Despite slowing demand from existing major customers but this drop was more than offset by gain in sales from newer customers.

The Group recorded a net profit of RM0.18 million for the quarter, a RM 0.06 million decrease over the previous year's corresponding quarter. This is mainly due to unrealized loss on exchange on US\$ debtors and bank balances. During the quarter under review, the value of US\$ dropped by 4% from the beginning to end of the quarter

Total comprehensive profit attributable to equity holders at RM0.55 million decreased slightly due to a small drop in net profit compared to the previous year's corresponding quarter

**B2 Variation of results against immediate preceding quarter**

The Group recorded profit before tax of RM0.18 million compared to the loss before tax of RM 0.84 million in the preceding quarter. During the quarter sales have increased by RM1.84 million compared to preceding quarter. Due to the sale increase, there was a more gross profits to cover the overheads hence contributing to better performance for the quarter

**B3 Prospects for the forthcoming financial year**

The Group will continue to strengthen its core business by gaining new customers and higher sales as well as implement cost cutting measures. The outlook for the Group is positive and performance is expected to continue to improve from higher sales from newer customers contributing to incremental sales.

**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	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM	RM	RM	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 25 February 2016 is as per the table below:-

Purpose	Proceeds Raised	Amount Utilised	Amount Unutilised	Intended Timeframe for Utilisation	Explanation
	RM'000	RM'000	RM'000		
1. Working Capital	2,416	2,416	-	-	-
2. Expenses in relation to the Private Placement	120	120	-	-	-

**B9 Group's borrowings and debt securities**Secured

Short term borrowings

Long term borrowings

AS AT 31-Dec-15  
RM

746,371

4,553,407

5,299,778

**MQ TECHNOLOGY BERHAD**

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE YEAR ENDED 31 DECEMBER 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-Dec-15	As at 31-Dec-14
Total retained profits of the Company and its subsidiaries:-		
- Realised (loss)	(27,167,041)	(24,982,181)
- Unrealised (loss)/profit	4,047	(5,849)
	(27,162,994)	(24,988,030)
Less: Consolidation adjustments and eliminations	10,348,854	9,761,777
Total Accumulated losses as per statement of financial position	(16,814,140)	(15,226,253)

**B11 Loss for the Period**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31-Dec-15 RM	Preceding year corresponding quarter 31-Dec-14 RM	Current year to date 31-Dec-15 RM	Preceding year corresponding period 31-Dec-14 RM
Loss for the period is arrived at after crediting:				
Interest income	1,007	2,000	2,895	21,724
Other income/(Loss)	350,563	526,378	418,318	445,976
Gain on disposal of property, plant and equipment	171,191	(456,840)	163,530	(132,922)
Unrealised Foreign exchange gain or (Loss)	163,058	33,986	(4,047)	(5,849)
Realised Foreign exchange gain or (Loss)	75,755	-	669,011	-
and after charging:				
Interest expense	(90,917)	(174,400)	(395,162)	(284,104)
Depreciation	569,605	3,468,497	3,080,269	4,306,671

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 December 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 31-Dec-15	Preceding year corresponding quarter 31-Dec-14	Current year to date 31-Dec-15	Preceding year corresponding period 31-Dec-14
Net profit/(loss) attributable to shareholders (RM)	151,056	243,020	(1,587,857)	(7,031,220)
Weighted average number of ordinary shares in issue	278,980,707	240,250,146	260,150,439	240,250,146
Profit/(Loss) per share - (Sen)				
Basic	0.05	0.10	(0.61)	(2.93)
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 25 February 2016.