

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

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2018

Table 1: Financial review for current quarter and financial year to date

	INDIVIDUAL PERIOD			CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CHANGES Favourable/ (Unfavourable)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES Favourable/ (Unfavourable)
	30/06/2018 RM '000	30/06/2017 RM '000	RM '000	30/06/2018 RM '000	30/06/2017 RM '000	RM '000
1 Revenue	6,072	7,951	(1,879) -24%	12,732	14,634	(1,903) -13%
2 Profit/(Loss) before tax	(1,449)	(978)	(471) -48%	(1,290)	(1,445)	155 11%
3 Profit/(Loss) for the period	(1,449)	(978)	(471) -48%	(1,290)	(1,445)	155 11%
4 Net Profit/(loss) attributable to ordinary equity holders of the paren	(1,527)	(1,023)	(504) -49%	(1,392)	(1,414)	22 2%
5 Basic Profit/(loss) per share	(0.29)	(0.24)	(0.05) -21%	(0.28)	(0.35)	0.07 20%
6 Proposed/Declared dividend per share	-	-		-	-	

Table 2: Financial review for current quarter compared with immediate preceding quarter

	CURRENT YEAR QUARTER	IMMEDIATE PRECEDING QUARTER	CHANGES Favourable/ (Unfavourable)
	30/06/2018 RM '000	31/03/2018 RM '000	RM '000
1 Revenue	6,072	6,660	(588) -9%
2 Profit/(Loss) before tax	(1,449)	158	(1,607) 1017%
3 Profit/(Loss) for the period	(1,449)	158	(1,607) 1017%
4 Net Profit/(loss) attributable to ordinary equity holders of the paren	(1,527)	135	(1,662) 1231%
5 Basic Profit/(loss) per share	(0.29)	0.04	(0.33) 825%
6 Proposed/Declared dividend per share	-	-	

	AS AT END OF CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	30/06/2018 RM	30/06/2017 RM
7 Net assets per share attributable to ordinary equity holders of the parent	0.09	0.11

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	CHANGES Favourable/ (Unfavourable)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES Favourable/ (Unfavourable)
	30/06/2018 RM	30/06/2017 RM	RM	30/06/2018 RM	30/06/2017 RM	RM
Net (loss)/profit for the period - RM	(1,448,696)	(978,268)	(470,428) -48%	(1,290,432)	(1,444,760)	154,328 11%
Number of shares in issue	497,718,148	414,765,124		463,400,596	414,765,124	
Profit/(Loss) per share (sen) - Basic	(0.29)	(0.24)	(0.05) -21%	(0.28)	(0.35)	0.07 20%

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING	TO DATE	PERIOD
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	RM	RM	RM	RM
Revenue	6,072,308	7,950,889	12,731,903	14,634,447
Cost of sales	(5,588,476)	(7,199,409)	(10,183,424)	(12,627,444)
Gross Profit/(loss)	483,832	751,480	2,548,479	2,007,003
Other income	123,009	96,583	195,480	200,041
Operating expenses	(1,953,657)	(1,718,401)	(3,830,393)	(3,431,504)
Finance cost	(101,880)	(107,930)	(203,998)	(220,300)
Profit/(Loss) before tax	(1,448,696)	(978,268)	(1,290,432)	(1,444,760)
Tax income	-	-	-	-
Net Profit/(loss) for the period	(1,448,696)	(978,268)	(1,290,432)	(1,444,760)
Other comprehensive Profit/(loss) after tax:	-	27,562	-	-
Exchange translation differences	(78,065)	(71,940)	(101,165)	30,527
Other comprehensive profit for the period, net of tax	(78,065)	(44,378)	(101,165)	30,527
Total comprehensive profit/(loss) for the period attributable to Equity holders of the Company	(1,526,761)	(1,022,646)	(1,391,597)	(1,414,233)
Earnings per share - (Sen)				
Basic	(0.29)	(0.24)	(0.28)	(0.35)
Diluted	NA	NA	NA	NA

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

(The figures have not been audited)

	UNAUDITED AS AT 30/06/2018 RM	AUDITED AS AT 31/12/2017 RM
NON-CURRENT ASSETS		
Property, plant and equipment	20,602,062	21,348,517
	<u>20,602,062</u>	<u>21,348,517</u>
CURRENT ASSETS		
Inventories	1,935,011	1,842,091
Trade and other receivables	30,674,885	25,472,168
Current tax assets	277,623	237,294
Cash and bank balances	5,927,183	6,749,615
	<u>38,814,702</u>	<u>34,301,168</u>
CURRENT LIABILITIES		
Trade and other payables	5,809,660	4,631,402
Borrowings	6,323,107	6,368,116
	<u>12,132,767</u>	<u>10,999,518</u>
NET CURRENT ASSETS	26,681,935	23,301,650
NON-CURRENT LIABILITIES		
Borrowings	1,094,981	1,217,206
Deferred tax liabilities	1,816,236	1,816,236
	<u>2,911,217</u>	<u>3,033,442</u>
NET ASSETS	<u>44,372,780</u>	<u>41,616,725</u>
FINANCED BY		
Share capital	52,521,421	48,373,770
Exchange translation reserve	885,162	986,327
Revaluation Reserve	6,315,268	6,315,268
Warrant reserve	8,019,821	8,019,821
Other reserve	(8,019,821)	(8,019,821)
Accumulated losses	(15,349,071)	(14,058,640)
SHAREHOLDERS' EQUITY	<u>44,372,780</u>	<u>41,616,725</u>
Net assets ("NA") per share (RM)	<u>0.09</u>	<u>0.10</u>

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2018
(The figures have not been audited)

	Share Capital	Share Premium	Exchange Translation Reserve	Non-Distributable Assets Revaluation Reserve	Warrant Reserve	Other Reserve	Distributable (Accumulated Losses)	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Period ended 30 June 2018								
At 1 January 2018	48,373,770	-	986,327	6,315,268	8,019,821	(8,019,821)	(14,058,640)	41,616,725
Exchange translation differences	-	-	(101,165)	-	-	-	-	(101,165)
Par Value Reduction	-	-	-	-	-	-	-	-
Transfer of share premium upon abolishment of par value	-	-	-	-	-	-	-	-
Issuance of shares pursuant to right issue	4,147,651	-	-	-	-	-	-	4,147,651
Profit/(loss) for the period	-	-	-	-	-	-	(1,290,431)	(1,290,431)
Total comprehensive profit/(loss) for the period & transactions with owners	4,147,651	-	(101,165)	-	-	-	(1,290,431)	2,756,055
At 30 June 2018	52,521,421	-	885,162	6,315,268	8,019,821	(8,019,821)	(15,349,071)	44,372,780
Period ended 31 December 2017								
At 1 January 2017	41,476,513	6,897,257	1,308,833	6,315,268	8,019,821	(8,019,821)	(10,850,283)	45,147,588
Exchange translation differences	-	-	(322,506)	-	-	-	-	(322,506)
Par Value Reduction	-	-	-	-	-	-	-	-
Transfer of share premium upon abolishment of par value	6,897,257	(6,897,257)	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	-	(3,208,357)	(3,208,357)
Total comprehensive profit/(loss) for the year & transactions with owners	6,897,257	(6,897,257)	(322,506)	-	-	-	(3,208,357)	(3,530,863)
At 31 December 2017	48,373,770	-	986,327	6,315,268	8,019,821	(8,019,821)	(14,058,640)	41,616,725

MQ TECHNOLOGY BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018

(The figures have not been audited)

	CURRENT QUARTER 30/06/2018 RM	AUDITED AS AT 31/12/2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(1,290,432)	(3,249,848) -
Adjustments for:		
Depreciation	1,397,868	2,540,605
Loss/(Gain) on disposal of property, plant and equipment	79,307	(78,123)
Other receivables	-	459,600
Interest expense	203,998	435,925
Interest income	(356)	(195,497)
Unrealised loss/(gain) on foreign exchange	-	171,291
	<u>390,385</u>	<u>83,953</u>
Operating (loss)/profit before working capital changes		
(Increase)/decrease in inventories	(99,026)	(923,542)
(Increase)/decrease in receivables	(5,000,231)	(535,357)
Increase/(decrease) in payables	1,191,113	1,295,360
	<u>(3,517,759)</u>	<u>(79,586)</u>
Cash used in operations		
Income taxes paid	(131,954)	(42,791)
Income taxes refunded	31,631	36,000
Net cash used in operating activities	<u>(3,618,082)</u>	<u>(86,377)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(829,971)	(317,857)
Interest received	356	195,497
Placement of fixed deposit	-	(194,973)
Proceeds from disposal of property, plant and equipment	12,349	118,682
Net cash used in investing activities	<u>(817,266)</u>	<u>(198,651)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(203,998)	(435,925)
Proceeds from private placement	4,147,651	-
Repayment of term loans	(542,057)	(1,083,536)
Repayment of hire purchase obligations	230,167	(419,698)
Net cash generated/(used) in financing activities	<u>3,631,763</u>	<u>(1,939,159)</u>
Net decrease in cash and cash equivalents	(803,585)	(2,224,187)
Effect of exchange rate changes	(181,483)	(45,997)
Cash and cash equivalents brought forward	(3,562,571)	(1,292,387)
Cash and cash equivalents carried forward	<u>(4,547,639)</u>	<u>(3,562,571)</u>
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	472,210	1,294,642
Fixed deposits with licensed banks	5,454,973	5,454,973
	<u>5,927,183</u>	<u>6,749,615</u>
Less: Pledged deposits	(5,454,973)	(5,454,973)
	<u>472,210</u>	<u>1,294,642</u>
Bank Overdraft	(5,019,849)	(4,857,213)
Cash and cash equivalents	<u>(4,547,639)</u>	<u>(3,562,571)</u>

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2018

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 2017.

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 issuance of private placement of 82,953,024 ordinary shares 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 Thailand. 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	Preceding year	Current year	Preceding year
	quarter	corresponding quarter	to date	corresponding period
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Malaysia	1,031,792	1,781,187	2,981,469	3,321,184
Thailand	3,441,742	4,781,170	7,437,046	9,142,511
United States of America	579,747	1,388,532	1,023,962	2,170,751
United Kingdom	333	-	9,070	-
Other Asia Pacific countries	1,018,694	-	1,280,356	-
	<u>6,072,308</u>	<u>7,950,889</u>	<u>12,731,903</u>	<u>14,634,447</u>

	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Malaysia	52,254,332	46,186,429	24,583	14,640
Thailand	6,872,986	7,056,334	805,388	61,195
	<u>59,127,318</u>	<u>53,242,763</u>	<u>829,971</u>	<u>75,835</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. As At 30 June 2018, 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 June 2018 to the date of this announcement which would substantially affect the financial results of the Group.

A10 Changes in the composition of the Group

On 06/07/2018, MQ incorporated a new wholly-owned subsidiary, namely MQ Integrated Marketing Sdn Bhd ("MQ Marketing") in Malaysia.
On 16/07/2018, MQ incorporated a new wholly-owned subsidiary, namely Microlead Manufacturing Sdn Bhd in Malaysia.

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 RM5,000,000 (Q2 2017: RM5,000,000) of which RM1,083,302 (Q2 2017: RM2,083,310) has been utilised as at the balance sheet date. The outstanding amount excludes hire purchase.

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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2018

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 6.07 million showed decrease of RM 1.88 million (or -23.6%) from RM 7.95 million of the preceding year corresponding quarter.

The Group recorded a loss before tax of RM1.45 million for the quarter under review, compared to a loss before tax of RM 0.98 million in the preceding year corresponding quarter (Q2-2017). The decrease was due to the increase of expenses incurred during the quarter under review and lower of revenue.

B2 Variation of results against immediate preceding quarter

During the quarter under review, sales decreased by RM 0.59 million (Revenue, Q2-2018: RM 6.07 million - Q1-2018: RM 6.66 million) compared to preceding quarter. The decrease of sales was mainly due to lower demand from automation.

The group has recorded a loss before tax of RM 1.45 million in the quarter under review, a decrease of RM 1.61 million compared to a profit before tax of RM 0.16 million in the preceding quarters (Q1-2018).

B3 Prospects for the forthcoming financial year

Manufacturing business component

The outlook for Group's tooling and precision components business is expected to continue to improve for the financial year 2018 . Likewise the Group performance is expected to improve in line with the higher revenues as well lower costs from reduced outsourcing due to the strengthening of the Group's skilled labour force.

Theme park component

The theme park component of the Group has yet to be fully operational and is not expected to contribute significantly to the Group in 2018.

Marketing Business Component

The marketing service for gaming related business is at the planning stage and expected to contribute positive results to the Group at the end of 2018.

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 2017.

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	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 period of 5 years (From year 2015 onwards).

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

The joint venture between Star Acres Sdn Bhd and Cash Support Sdn Bhd is pending the transfer of the project land and issuance of shares in Cash Support Property Sdn Bhd ("JV Entity"). The transfer of the project land from Cash Support Sdn Bhd to the JV Entity has been approved by the state government.

Purpose	Proposed Utilisation	Actual Utilisation as at 31 December 2017	Variation for utilisation of proceeds as at 31 December 2017	Balance to be utilised as at 31 December 2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Payment for Subscription Shares	15,900	15,226	-	674
Extension to existing factory	9,480	2,000	(2,554)	4,926
Working capital	987	3,541	2,554	-
Estimated expenses in relation to the Corporate Exercise	1,160	1,160	-	-
Total	27,527	21,927	-	5,600

Explanation for deviation

(1) Proceeds were used for working capital as it is more urgent compared to the extension of factory and purchase of equipments.

The Company has announced extension of the Memorandum of Agreement ("MOA") with Cambodia Resort and Entertainment Co., Ltd on 2 July 2018 for another 90 days from 6 July 2018 to 4 October 2018.

Joint Venture between MQ's wholly-owned subsidiary, Star Acres Sdn Bhd, and Cash Support Sdn Bhd to develop and carry on the business of the Theme Park ("Investment")

- (i) SASB and CSSB had on 18 July 2018 mutually agreed to further extend the SSA Cut-Off Date from 19 July 2018 to 19 January 2019 for the parties to obtain/fulfil conditions precedent pursuant to the SSA; and
- (ii) CSSB and CSPSB had on 18 July 2018 mutually agreed to further extend the SPA Cut-Off Date from 19 July 2018 to 19 January 2019 for the parties to obtain, fulfil or waive the conditions precedent pursuant to the SPA.

The Company announced the proposal for diversification of the existing principal activities and private placement on 7 December 2017:

- (i) Proposed diversification of the existing principal activities of MQ Group to include marketing services for gaming related businesses pursuant to the marketing agreement dated 7 December 2017 entered into between MQ and Vivo Tower Holdings Ltd; and
- (ii) Proposed private placement of 82,953,024 new Placement Shares at an issue price of RM0.05 per Placement Share.
- (iii) The Company submitted the listing application for the Proposed Private Placement to Bursa Malaysia Securities Berhad on 18 January 2018.

On 4 April 2018, the company announced to Bursa Securities that the proposed utilisation of the proceeds from the Rights Issue exercise of approximately RM9.48 million earmarked for the extension to its existing factory in Bayan Lepas, Penang to be partially re-allocated (approximately RM2.55 million) to working capital of the Group.

On 5 April 2018, Bursa Malaysia Securities Berhad has approved the listing of up to 82,953,024 Placement Shares to be issued pursuant to the Proposed Private Placement for the proposed diversification of the Group's principal activities to gaming related business subject to the following conditions:-

The Company and UOB Kay Hian Securities (M) Sdn Bhd ("UOBKH") must fully comply with the relevant provisions under the ACE Marketing Listing Requirements pertaining to the implementation of the Proposed Private Placement;
The Company and UOBKH to inform Bursa Securities upon the completion of the Proposed Private Placement; and
The company to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

On 16 May 2018, all resolution as set out in the Notice of Extraordinary General Meeting ("EGM") dated 14 April 2018 were duly passed at the EGM. Below are the Ordinary Resolution passed at the EGM.

Ordinary Resolution 1

Proposed diversification of the existing principal activities of MQ and its subsidiaries to include marketing services for gaming related businesses. ("Proposed Diversification")

Ordinary Resolution 2

Proposed private placement of 82,953,024 ordinary shares in MQ ("Placement share(s)") at an issue price of RM0.05 per placement share ("Proposed Private Placement")

Ordinary Resolution 3

Proposed allocation of 41,476,512 placement shares to Wong Ken Hong at an issue price of RM0.05 per placement share ("Proposed Allocation")

82,953,024 placement shares at an issue price of RM0.05 per share was completed upon listing and quotation on ACE Market of Bursa Malaysia Securities Berhad with effect from 9.00am 01/06/2018

Utilisation of Proceeds from Private Placement

- The funds from private placement of RM4.15 million was received on 01 June 2018

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation as at 30 June 2018 (RM'000)	Timeframe for utilisation	Balance to be utilised as at 30 June 2018 (RM'000)
Provision of marketing services pursuant to the Marketing Agreement	3,878	3,650	24 months	228
Expenses in relation to the proposal	270	270	1 month	-
	4,148	3,920		228

On 04/06/2018, MQ Technology Berhad (Vendor) entered into conditional share sale agreement(SSA) with TC Smart Engineering (M) Sdn Bhd (Purchaser) for the disposal of 300,000 ordinary shares of MPT Solutions Co Ltd (MPTS) , representing entire equity shares of the company for a total consideration of RM 3,500,000.00 (RGT: Three million five hundred thousand)
Upon completion of the disposal, MPTS will cease to be a subsidiary of the company.

On 04/07/2018, The Board of Directors of MQ Tech (Company) has entered into a supplemental agreement to the SSA with the Purchaser to extend the Conditional Period for a further term of 45 days from 4 July 2018 to 18 August 2018 in order to facilitate the fulfillment of Conditions Precedent. (Supplemental SSA). Save and except for the extension of the conditional period, all other terms and conditions of the SSA shall remain unchanged.

On 17/08/2018, The Board of Directors of MQ Tech (Company) has entered into a second supplemental agreement to the SSA with the Purchaser to extend the Conditional Period for a further term of 45 days from 19 August 2018 to 02 October 2018 in order to facilitate the fulfillment of Conditions Precedent. (Second Supplemental SSA). Save and except for the extension of the conditional period, all other terms and conditions of the SSA shall remain unchanged.

B9 Group's borrowings and debt securities

The borrowings are secured denominated in Malaysian Ringgit and Thai Baht.

	Current Year Quarter 30/06/2018					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)
Secured Borrowings						
Hire Purchase	794,242	77,937	175,822	127,428	970,064	205,365
Term Loan	139,507	83,294	-	1,000,008	139,507	1,083,302
Overdraft	-	-	-	5,019,849	-	5,019,849
Sub total	933,749	161,231	175,822	6,147,285	1,109,571	6,308,516

	Preceding Year Quarter 30/06/2017					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)
Secured Borrowings						
Hire Purchase	16,912	296,834	87,286	29,703	104,198	326,537
Term Loan	229,680	1,833,308	-	250,002	229,680	2,083,310
Overdraft	-	-	-	4,841,292	-	4,841,292
Sub total	246,592	2,130,142	87,286	5,120,997	333,878	7,251,139

	Current Year Quarter 30/06/2018	Preceding Year Quarter 31/12/2017
Weighted Average Fixed Interest Rate - Hire Purchase	6.39%	5.87%
Weighted Average Floating Interest Rate - Overdraft	5.00%	4.27%
Weighted Average Floating Interest Rate - Term Loan	7.04%	7.04%

B10 Realised and Unrealised Profit or Losses

	As at 30/06/2018	As at 31/12/2017
Total retained profits of the Company and its subsidiaries:-		
- Realised gain / (loss)	(36,529,852)	(31,788,371)
- Unrealised gain / (loss)	100,923	(160,372)
	(36,428,929)	(31,948,743)
Less: Consolidation adjustments and eliminations	21,079,858	17,890,103
Total Accumulated losses as per statement of financial position	(15,349,071)	(14,058,640)

B11 Profit for the Period

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2018 RM	Preceding year corresponding quarter 30/06/2017 RM	Current year to date 30/06/2018 RM	Preceding year corresponding period 30/06/2017 RM
Profit for the period is arrived at after crediting:				
Interest income	300	476	356	613
Other income / (loss)	122,709	(6,875)	195,124	96,583
Gain/(loss) on disposal of property, plant and equipment	(405)	(74,823)	79,307	(171,782)
Unrealised Foreign exchange gain or (Loss)	54,271	48,109	100,923	193,892
and after charging:				
Interest expense	101,880	107,930	203,998	220,300
Depreciation	670,260	713,576	1,397,868	1,478,110

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 June 2018 (31 December 2017: 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 the last annual balance sheet date until the date of this

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 30/06/2018	Preceding year corresponding quarter 30/06/2017	Current year to date 30/06/2018	Preceding year corresponding period 30/06/2017
Profit/(loss) after tax attributable to shareholders (RM)	(1,448,696)	(978,268)	(1,290,432)	(1,444,760)
Weighted average number of ordinary shares in issue	497,718,148	414,765,124	463,400,596	414,765,124
Loss per share - (Sen)				
Basic	(0.29)	(0.24)	(0.28)	(0.35)
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 2017 in their report dated 23 April 2018.

B17 Authorise for issue

The interim financial statements were authorised for issue by the Board of Directors on 24 August 2018.

B18 Other income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2018 RM	Preceding year corresponding quarter 30/06/2017 RM	Current year to date 30/06/2018 RM	Preceding year corresponding period 30/06/2017 RM
Other income	123,009	96,583	195,480	200,041
MPT				
Interest received	42	154	98	284
Scrap sales	14,652	5,758	16,064	8,789
Vending machine rental received	-	-	-	300
Unrealised gain on forex	54,271	-	100,923	-
Gain on disposal of fixed assets	-	2,000	-	93,820
MPTS				
Interest Income	258	320	258	323
Gain on Sale of asset	-	73,205	-	77,962
Sale Scrap	7,086	5,490	12,602	5,490
Other Income	46,700	9,655	65,535	13,068
SA				
Interest Income	-	1	-	5

B19 Foreign Exchange Exposure

Areas in which are relevant to foreign exchange exposure within the group are:-

- MPTS, which is the Thailand subsidiary and its operating currency is in Baht
- overseas sales in USD
- and Bank account in foreign currency (USD).

There is no hedging performed within the group.

B20 Trade receivables

Currently there is only credit sales in MPT and MPTS within the group, and below are the gross trade receivable aging analysis:-

Third parties**MPT - Trade receivable aging as at 30.06.2018**

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current
30	76,506	-	10,872	6,611	123,347	38,175
45	-	73,267	-	84,473	98,580	56,880
50	648	-	-	394,990	238,321	313,352
60	13,193	-	545,900	136,829	707,705	235,778
90	9,651	-	-	165,082	334,887	168,967
	99,998	73,267	556,772	787,986	1,502,841	813,153
Advance received from debtor	(439,267)	-	(486,871)	(3,038)	(112,136)	-
Unrealised gain/(loss) foreign exchange	-	-	-	-	-	94,971
	(339,268)	73,267	69,901	784,948	1,390,705	908,124

MPTS - Trade receivable aging as at 30.06.2018

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current
30	-	-	-	-	273,236	327,750
60	-	-	-	42,932	223,677	52,167
90	-	-	-	210,957	336,500	328,718
120	-	-	-	59,553	29,320	8,340
	-	-	-	313,442	862,733	716,974

It is noted that there is some delay in the receivable from trade debtors in MPT, however there are continuous subsequent receipt from the trade debtors up to date, hence no recoverability issue.

Meanwhile, in MPTS receivables were received within the credit term, hence no recoverability issue.

Related parties

Credit term awarded to related parties are in line with credit term awarded to third party, there no exceptional prolonged credit term being awarded to them and normally trade receivable from related parties were usually received within the credit term.

Subsidiaries that have Sales transactions with its related party are:-

Related Parties	Nature of Transactions
MPTS sells to ZT	Supply of Wirecut and Electric Discharge Machining (EDM) process
MPT sells to W1	Supply of Automation and Precision parts

WI – Wistech Integration Sdn Bhd
ZT – Zoomic Technology (Thailand) Co., Ltd