

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

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2019**

**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)
	31/03/2019 RM '000	31/03/2018 RM '000	RM '000	31/03/2019 RM '000	31/03/2018 RM '000	RM '000
1 Revenue	3,603	6,660	(3,056) -46%	3,603	6,660	(3,056) -46%
2 Profit/(Loss) before tax	(714)	158	(872) 552%	(714)	158	(872) 552%
3 Profit/(Loss) for the period	(712)	158	(870) 551%	(712)	158	(870) 551%
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	(622)	135	(757) 561%	(622)	135	(757) 561%
5 <b>Basic Profit/(loss) per share</b>	<b>(0.12)</b>	0.04	(0.16) 400%	<b>(0.13)</b>	0.04	(0.17) 425%
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)
	31/03/2019 RM '000	31/12/2018 RM '000	RM '000
1 Revenue	3,603	4,955	(1,352) -27%
2 Profit/(Loss) before tax	(714)	(3,272)	2,558 78%
3 Profit/(Loss) for the period	(712)	(3,272)	2,560 78%
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	(622)	(3,318)	2,696 81%
5 Basic Profit/(loss) per share	(0.12)	(0.66)	0.54 82%
6 Proposed/Declared dividend per share	-	-	

	AS AT END OF CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	31/03/2019 RM	31/03/2018 RM
7 Net assets per share attributable to ordinary equity holders of the parent	0.08	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	CHANGES Favourable/ (Unfavourable)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES Favourable/ (Unfavourable)
	31/03/2019 RM	31/03/2018 RM	RM	31/03/2019 RM	31/03/2018 RM	RM
Net (loss)/profit for the period - RM	(712,009)	158,264	(870,273) 550%	(712,009)	158,264	(870,273) 550%
<b>Number of shares in issue</b>	<b>597,718,148</b>	414,765,124		<b>532,162,592</b>	414,765,124	
<b>Profit/(Loss) per share (sen) - Basic</b>	<b>(0.12)</b>	0.04	(0.16) 400%	<b>(0.13)</b>	0.04	(0.17) 425%

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31  
MARCH 2019**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2019 RM	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2018 RM	CURRENT YEAR TO DATE 31/03/2019 RM	PRECEDING YEAR CORRESPONDING PERIOD 31/03/2018 RM
Revenue	3,603,236	6,659,595	3,603,236	6,659,595
Cost of sales	(3,050,734)	(4,594,948)	(3,050,734)	(4,594,948)
Gross Profit/(loss)	<u>552,502</u>	<u>2,064,647</u>	<u>552,502</u>	<u>2,064,647</u>
Other income	69,807	72,471	69,807	72,471
Operating expenses	(1,245,465)	(1,876,736)	(1,245,465)	(1,876,736)
Finance cost	(90,372)	(102,118)	(90,372)	(102,118)
Profit/(Loss) before tax	<u>(713,528)</u>	<u>158,264</u>	<u>(713,528)</u>	<u>158,264</u>
Tax income	1,519	-	1,519	-
Net Profit/(loss) for the period	<u><u>(712,009)</u></u>	<u><u>158,264</u></u>	<u><u>(712,009)</u></u>	<u><u>158,264</u></u>
Other comprehensive Profit/(loss) after tax:	-	-	-	-
Exchange translation differences	90,323	(23,100)	90,323	(23,100)
Other comprehensive profit for the period, net of tax	<u>90,323</u>	<u>(23,100)</u>	<u>90,323</u>	<u>(23,100)</u>
Total comprehensive profit/(loss) for the period attributable to Equity holders of the Company	<u><u>(621,686)</u></u>	<u><u>135,164</u></u>	<u><u>(621,686)</u></u>	<u><u>135,164</u></u>
Earnings per share - (Sen)				
Basic	(0.12)	0.04	(0.13)	0.04
Diluted	NA	NA	NA	NA

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019**  
*(The figures have not been audited)*

	<b>UNAUDITED AS AT 31/03/2019 RM</b>	<b>AUDITED AS AT 31/12/2018 RM</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	17,857,273	18,195,946
	<u>17,857,273</u>	<u>18,195,946</u>
<b>CURRENT ASSETS</b>		
Inventories	958,197	809,449
Trade and other receivables	27,653,867	26,329,151
Current tax assets	89,956	120,314
Cash and bank balances	5,655,818	6,248,214
Assets of disposal group classified as held for sales	5,823,151	5,895,461
	<u>40,180,989</u>	<u>39,402,589</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,338,250	4,030,313
Borrowings	5,473,390	6,020,365
	<u>8,811,640</u>	<u>10,050,678</u>
<b>NET CURRENT ASSETS</b>	31,369,349	29,351,911
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	11,487	32,468
Deferred tax liabilities	2,393,347	2,393,347
Liabilities of disposal group classified as held for sales	1,798,060	2,153,458
	<u>4,202,894</u>	<u>4,579,273</u>
<b>NET ASSETS</b>	<u><b>45,023,728</b></u>	<u><b>42,968,584</b></u>
<b>FINANCED BY</b>		
Share capital	54,811,421	52,521,421
Exchange translation reserve	90,323	-
Revaluation Reserve	8,055,560	8,055,560
Warrant reserve	8,019,821	8,019,821
Other reserve	(8,019,821)	(8,019,821)
Accumulated losses	(18,616,638)	(17,904,629)
Reserves of disposal group held for sale	683,062	296,232
<b>SHAREHOLDERS' EQUITY</b>	<u><b>45,023,728</b></u>	<u><b>42,968,584</b></u>
Net assets ("NA") per share (RM)	<u>0.08</u>	<u>0.10</u>

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2019**  
*(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)	Reserves of disposal group clasified as held for sale	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>Period ended 31 March 2019</b>									
At 1 January 2019	52,521,421	-	-	8,055,560	8,019,821	(8,019,821)	(17,904,629)	296,232	42,968,584
Exchange translation differences	-	-	90,323	-	-	-	-	-	90,323
Par Value Reduction	-	-	-	-	-	-	-	-	-
Transfer of share premium upon abolishment of par value	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to ESOS scheme	2,290,000	-	-	-	-	-	-	-	2,290,000
Profit/(loss) for the period	-	-	-	-	-	-	(712,009)	-	(712,009)
Reserves of disposal group classified as held for sale	-	-	-	-	-	-	-	386,830	386,830
Total comprehensive profit/(loss) for the period & transactions with owners	2,290,000	-	90,323	-	-	-	(712,009)	386,830	2,055,144
At 31 March 2019	54,811,421	-	90,323	8,055,560	8,019,821	(8,019,821)	(18,616,638)	683,062	45,023,728
<b>Period ended 31 December 2018</b>									
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	-	-	(986,327)	1,740,292	-	-	-	-	753,965
Par Value Reduction	-	-	-	-	-	-	-	-	-
Transfer of share premium upon abolishment of par value	-	-	-	-	-	-	-	-	-
Issuance of Shares via private placements	4,147,651	-	-	-	-	-	-	-	4,147,651
Loss for the year	-	-	-	-	-	-	(3,845,989)	296,232	(3,549,757)
Total comprehensive profit/(loss) for the year & transactions with owners	4,147,651	-	(986,327)	1,740,292	-	-	(3,845,989)	296,232	1,351,859
At 31 December 2018	52,521,421	-	-	8,055,560	8,019,821	(8,019,821)	(17,904,629)	296,232	42,968,584

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2019**  
*(The figures have not been audited)*

	<b>CURRENT QUARTER 31/03/2019 RM</b>	<b>AUDITED AS AT 31/12/2018 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(713,528)	(5,360,702)
Adjustments for:		
Depreciation	579,572	2,087,420
Loss/(Gain) on disposal of property, plant and equipment	39,804	81,468
Impairment loss on property, plant and equipment	-	2,368,000
Allowance for expected credit losses on:-		
Trade receivables	-	6,927
Other receivables	-	225,000
Interest expense	90,372	422,756
Interest income	(33)	(157,506)
Unrealised loss/(gain) on foreign exchange	-	12,708
	(3,813)	(313,929)
Operating (loss)/profit before working capital changes		
(Increase)/decrease in inventories	19,340	578,116
(Increase)/decrease in receivables	(1,363,933)	(3,434,278)
Increase/(decrease) in payables	(764,492)	297,697
	(2,112,898)	(2,872,394)
Cash used in operations		
Income taxes paid	(177,088)	(136,277)
Income taxes refunded	39,358	31,631
Net cash used in operating activities	(2,250,628)	(2,977,040)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,284)	(498,599)
Interest received	33	157,506
Proceeds from disposal of property, plant and equipment	39,001	13,476
Net cash used in investing activities	27,750	(327,617)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from Directors	-	306,269
Interest paid	(90,372)	(422,756)
Proceeds from ESOS /private placement	2,290,000	4,147,651
Repayment of term loans	(354,566)	(1,085,134)
Repayment of hire purchase obligations	(134,081)	(494,701)
Net cash generated/(used) in financing activities	1,710,981	2,451,329
Net decrease in cash and cash equivalents	(511,897)	(853,328)
Effect of exchange rate changes	(65,993)	31,405
Cash and cash equivalents brought forward	(4,384,494)	(3,562,571)
Cash and cash equivalents carried forward	(4,962,384)	(4,384,494)
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	78,841	636,352
Fixed deposits with licensed banks	5,611,862	5,611,862
	5,690,703	6,248,214
Less: Pledged deposits	(5,611,862)	(5,611,862)
	78,841	636,352
Bank Overdraft	(5,041,225)	(5,020,846)
Cash and cash equivalents	(4,962,384)	(4,384,494)

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2019**

**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 2018.

**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**

100,000,000 ordinary shares issued under ESOS for the quarter under review.

**A6 Dividend paid**

There was no dividend paid during the current financial quarter.

**A7 Segment reporting**

Business Segments

The Group currently 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.

	<b>SEGMENT REVENUE</b>			
	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current year quarter</b>	<b>Preceding year corresponding quarter</b>	<b>Current year to date</b>	<b>Preceding year corresponding period</b>
	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
Malaysia	(30,139)	1,949,677	(30,139)	1,949,677
Thailand	3,014,855	3,995,304	3,014,855	3,995,304
United States of America	296,438	444,215	296,438	444,215
United Kingdom	-	8,737	-	8,737
Other Asia Pacific countries	322,082	261,662	322,082	261,662
	<u>3,603,236</u>	<u>6,659,595</u>	<u>3,603,236</u>	<u>6,659,595</u>
	-	-	-	-

  

	<b>SEGMENT ASSETS</b>		<b>CAPITAL EXPENDITURE</b>	
	<b>31/03/2019</b>	<b>31/03/2018</b>	<b>31/03/2019</b>	<b>31/03/2018</b>
Malaysia	52,125,156	49,365,239	9,724	4,929
Thailand	5,578,512	7,186,123	1,560	661,221
	<u>57,703,668</u>	<u>56,551,362</u>	<u>11,284</u>	<u>666,150</u>
	-	-	-	-

**A8 Valuation of property, plant and equipment**

The Group last revalued its property, plant and equipment (PPE) at financial year ended 31 DEC 2018. During the period under review, PPE was stated at cost less cumulative depreciation except for land and buildings and improvements which are stated at valuations less cumulative 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 March 2019 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 RM5,000,000 (Q1 2018: RM5,000,000) of which RM333,296 (Q1 2018: RM1,333,304) has been utilised as at the balance sheet date.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2019**

**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 3.60 million showed decrease of RM 3.00 million (or 46%) from RM 6.66 million of the preceeding year corresponding quarter.

The Group recorded loss before tax of RM0.71 million for the quarter under review as compared to profit before tax of RM0.16 million in the preceeding year corresponding quarter (Q1-2018). The increase in loss before tax of approximately RM0.87 million as compared to the corresponding quarter in preceeding year was due to lower revenue.

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

During the quarter under review, sales decreased by RM 1.36 million (Revenue, Q1-2019: RM 3.60 million ; Q4-2018: RM 4.96 million) compared to preceeding quarter. The decrease in sales was mainly due to low demand from automation division.

The group has recorded a loss before tax of RM 0.71 million in the quarter under review, decrease of RM 2.56 million compared to a loss before tax of RM3.27 million in the preceeding quarters (Q4-2018). The lower loss before tax as compared to the preceeding quarter was due to prepayments written off amounted to RM0.23 million and impairment loss of approximately RM2.368 million on the property, plant and equipment for MPTS.

**B3 Prospects for the forthcoming financial year**

Manufacturing business component

The outlook for Group's tooling and precision components business is expected to maintain at present pace for the financial year 2019 . Various cost saving measures have been initiated to improve the Gross Profit margin and lower the operating expenditures.

Theme park component

The theme park component of the Group has yet to be operational and is uncertain on future development. The management is assessing the viability of the project at this juncture.

**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 2018.

**B5 Taxation**

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
31/03/2019	31/03/2018	31/03/2019	31/03/2018
RM	RM	RM	RM

Tax based on results for the quarter/period:  
Malaysian income tax and deferred tax

-	-	-	-
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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 (RM'000)	Actual Utilisation as at 31 December 2018 (RM'000)	Valuation for utilisation of proceeds as at 31 December 2018 (RM'000)	Balance to be utilised as at 31 December 2018 (RM'000)
Payment for Subscription Shares	15,900	15,266	-	634
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	-	-
<b>Total</b>	<b>27,527</b>	<b>21,967</b>	<b>-</b>	<b>5,560</b>

Explanation for deviation of right issue proceeds

- (1) Proceeds were used for working capital as it is more urgent compared to the extension of factory and purchase of equipments.
- (2)The board has decided on 22/03/19 to retire bank borrowing(Bank Overdraft) to reduce finance cost as factory extension was no longer needed

The Company has announced that the Memorandum of Agreement ("MOA") with Cambodia Resort and Entertainment Co., Ltd., which was previously extended to 2 January 2019 is deemed to be lapsed. The MOA, which related to proposed joint venture between Star Acres Sdn Bhd, a wholly owned subsidiary of the Company, and Cambodia Resort and Entertainment Co., Ltd to develop and manage a theme park in the Kingdom of Cambodia has not been extended as the parties have not been able to move the venture forward.

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

On 02/10/2018, The Board of Directors of MQ Tech (Company) has entered into a third supplemental agreement to the SSA with the Purchaser to extend the Conditional Period for a further term of Six (6) months from 02 October 2018 to 01 April 2019 in order to facilitate the fulfillment of Conditions Precedent. (Third Supplemental SSA). Save and except for the extension of the conditional period, all other terms and conditions of the SSA shall remain unchanged.

On 01/04/2019 The Board wishes to announce that, all Conditions Precedent have been fulfilled by the Vendor and Purchaser and as such, the Disposal has become unconditional. In addition, the Board also wishes to announce that the Company has on the same date entered into a Supplemental Agreement to the SSA ("Fourth Supplemental SSA") to amend the payment schedule of the Consideration and the timeframe for delivery of the Completion Documents. The Part Purchase Consideration of RM2.45 million and balance Consideration of RM0.7 million will be aggregated and payable by way of 12 equal monthly instalments.

On 06/05/2019, The Board of Directors of MQ Tech (Company) has entered into a Share Sales Agreement ("the SSA") with Dynamic Gallery Limited (Company No. T14UF3709K) to acquire nineteen percent (19%) equity interest in Monvest Group Pte. Ltd. (Registration No. 201129883C) with a purchase consideration of Ringgit Malaysia Eight Million and Five Hundred Fifty Thousand (RM8,550,000) only ("the Acquisition").



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

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

	Current Year Quarter 31/03/2019					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)
<b>Secured Borrowings</b>						
Hire Purchase	-	11,487	-	98,870	-	110,357
Term Loan	-	-	-	333,296	-	333,296
Overdraft	-	-	-	5,041,224	-	5,041,224
Sub total	-	11,487	-	5,473,390	-	5,484,877

	Preceding Year Quarter 31/03/2018					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing (RM)
<b>Secured Borrowings</b>						
Hire Purchase	1,006,148	110,357	85,284	125,890	1,091,432	236,247
Term Loan	66,604	333,296	96,667	1,000,008	163,271	1,333,304
Overdraft	-	-	-	4,999,317	-	4,999,317
Sub total	1,072,752	443,653	181,951	6,125,215	1,254,703	6,568,868

	Current Year Quarter 31/03/2019	Preceding Year Quarter 31/12/2018
Weighted Average Fixed Interest Rate - Hire Purchase	6.39%	6.39%
Weighted Average Floating Interest Rate - Overdraft	5.00%	5.00%
Weighted Average Floating Interest Rate - Term Loan	7.04%	7.04%

**B10 Realised and Unrealised Profit or Losses**

	As at 31/03/2019	As at 31/12/2018
Total retained profits of the Company and its subsidiaries:-		
- Realised gain / (loss)	(45,605,674)	(35,871,352)
- Unrealised gain / (loss)	-	12,708
	(45,605,674)	(35,858,644)
Less: Consolidation adjustments and eliminations	26,989,036	17,954,015
Total Accumulated losses as per statement of financial position	(18,616,638)	(17,904,629)

**B11 Profit for the Period**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2019	Preceding year corresponding quarter 31/03/2018	Current year to date 31/03/2019	Preceding year corresponding period 31/03/2018
	RM	RM	RM	RM
Profit for the period is arrived at after crediting:				
Interest income	33	56	33	56
Other income / (loss)	69,774	72,415	69,774	72,415
Gain/(loss) on disposal of property, plant and equipment	39,804	79,712	39,804	79,712
Unrealised Foreign exchange gain or (Loss)	-	12,708	-	12,708
and after charging:				
Interest expense	90,372	102,118	90,372	102,118
Depreciation	579,572	727,608	579,572	727,608

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 2019 (31 December 2018: 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 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 Profit / (loss) per share**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2019	Preceding year corresponding quarter 31/03/2018	Current year to date 31/03/2019	Preceding year corresponding period 31/03/2018
Profit/(loss) after tax attributable to shareholders (RM)	(712,009)	158,264	(712,009)	158,264
Weighted average number of ordinary shares in issue	597,718,148	414,765,124	532,162,592	414,765,124
Loss per share - (Sen)				
Basic	(0.12)	0.04	(0.13)	0.04
Diluted	NA	NA	NA	NA

#### B16 Auditor's report on preceding annual financial statements

The external auditors have expressed a qualified opinion on the Company's statutory financial statements for the year ended 31 December 2018 in their report dated 25 April 2019. The board is in the midst of rectifying them.

#### B17 Authorise for issue

The 1st quarter YE 2019 interim financial statements were authorised for issue by the Board of Directors on 27 May 2019.

#### B18 Other income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2019 RM	Preceding year corresponding quarter 31/03/2018 RM	Current year to date 31/03/2019 RM	Preceding year corresponding period 31/03/2018 RM
Other income	69,807	72,471	69,807	72,471
Details of Other Income				
MQ				
Unrealised gain on forex	-	-	-	-
MPT				
Interest received	30	56	30	56
Scrap sales	5,308	1,412	5,308	1,412
Vending machine rental received	-	-	-	-
Unrealised gain on forex	-	46,652	-	46,652
Gain on disposal of fixed assets	-	-	-	-
MPTS				
Interest Income	3	-	3	-
Gain on Sale of asset	39,804	-	39,804	-
Sale Scrap	-	5,516	-	5,516
Other Income	24,662	18,835	24,662	18,835
SA				
Interest Income	-	-	-	-

#### 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 31.03.2019

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current	
30	-	13,654	-	-	2,650	1,150	
45	3,000	-	-	7,860	-	19,160	
50	4,653	9,536	-	57,525	29,846	33,757	
60	12,141	-	-	205,888	452,190	297,372	
90	-	-	-	64,790	33,840	160	
	19,794	23,190	-	336,063	518,526	351,599	
Advance received from debtor	(204,739)	-	-	-	(1,390)	-	
Unrealised gain/(loss) foreign exchange	-	-	-	-	-	(4,041)	
	(184,945)	23,190	-	336,063	517,136	347,558	1,403,984

##### MPTS - Trade receivable aging as at 31.03.2019

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current	
30	-	-	-	-	210,735	15,236	
45	-	-	-	-	217,911	149,293	
50	-	-	-	-	2,077	2,200	
60	-	-	-	-	297,840	196,369	
90	-	-	-	8,725	37,630	28,864	
120	-	-	-	201,831	154,033	287,984	
	-	-	-	210,555	920,227	679,947	2,123,972

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