

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD  
ENDED 31 MARCH 2020**

*(The figures have not been audited)*

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2020 RM	PRECEDING YEAR CORRESPONDING QUARTER 31/03/2019 RM	UNAUDITED 15 MONTHS ENDED 31/03/2020 RM	AUDITED 12 MONTHS ENDED 31/12/2018 RM
Revenue	1,935,911	3,603,236	11,588,318	24,646,870
Cost of sales	(1,710,883)	(3,050,734)	(10,337,669)	(20,319,236)
Gross Profit/(loss)	<u>225,028</u>	<u>552,502</u>	<u>1,250,649</u>	<u>4,327,634</u>
Other income	102,627	69,807	431,209	309,370
Operating expenses	(1,069,934)	(1,245,465)	(9,801,611)	(9,574,950)
Finance cost	(93)	(90,372)	(103,732)	(422,756)
Profit/(Loss) before tax	<u>(742,372)</u>	<u>(713,528)</u>	<u>(8,223,485)</u>	<u>(5,360,702)</u>
Tax income	1,876	1,519	1,519	41,491
Net Profit/(loss) for the period	<u><u>(740,496)</u></u>	<u><u>(712,009)</u></u>	<u><u>(8,221,966)</u></u>	<u><u>(5,319,211)</u></u>
Other comprehensive Profit/(loss) after tax:				
Exchange translation differences	-	90,323	(25)	104,430
Other comprehensive profit for the period, net of tax	<u>-</u>	<u>90,323</u>	<u>(25)</u>	<u>104,430</u>
Total comprehensive profit/(loss)	<u><u>(740,496)</u></u>	<u><u>(621,686)</u></u>	<u><u>(8,221,991)</u></u>	<u><u>(5,214,781)</u></u>
Total comprehensive profit/(loss) for the period attributable to Equity holders of the Company	<u><u>(740,496)</u></u>	<u><u>(621,686)</u></u>	<u><u>(8,221,991)</u></u>	<u><u>(5,214,781)</u></u>
Earnings per share - (Sen)				
Basic	(0.11)	(0.12)	(1.27)	(1.15)
Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

On 02 March 2020, the Company announced the change of financial year end from 31 December to 30 June . The current reporting financial period will be for a period of 3 months and 15 months, made up from 1 Jan 2020 to 31 March 2020 and from 1 Jan 2019 to 31 March 2020 respectively. As such, there are no comparative figures for the preceding year corresponding periods. The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 Dec 2018.

**MQ TECHNOLOGY BERHAD**  
**(Company No. 635804-H)**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 March 2020**  
*(The figures have not been audited)*

	<b>UNAUDITED AS AT 31/03/2020 RM</b>	<b>AUDITED AS AT 31/12/2018 RM</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	15,464,322	18,195,946
	15,464,322	18,195,946
<b>CURRENT ASSETS</b>		
Inventories	929,444	809,449
Trade and other receivables	30,345,657	26,329,151
Current tax assets	57,080	120,314
Cash and bank balances	687,263	6,248,214
Assets of disposal group classified as held for sales	-	5,895,461
	32,019,444	39,402,589
<b>CURRENT LIABILITIES</b>		
Trade and other payables	4,034,239	4,030,313
Borrowings		6,020,365
	4,034,239	10,050,678
<b>NET CURRENT ASSETS</b>	27,985,205	29,351,911
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	-	32,468
Deferred tax liabilities	2,340,673	2,393,347
Liabilities of disposal group classified as held for sales		2,153,458
	2,340,673	4,579,273
<b>NET ASSETS</b>	<b>41,108,854</b>	<b>42,968,584</b>
<b>FINANCED BY</b>		
Share capital	59,423,669	52,521,421
Revaluation Reserve	7,416,917	8,055,560
Share Option reserve	94,996	-
Warrant reserve	8,019,821	8,019,821
Other reserve	(8,019,821)	(8,019,821)
Accumulated losses	(25,826,728)	(17,904,629)
Reserves of disposal group held for sale	-	296,232
<b>SHAREHOLDERS' EQUITY</b>	<b>41,108,854</b>	<b>42,968,584</b>
Net assets ("NA") per share (RM)	0.06	0.09

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2018.

<b>Number of shares in issue</b>	682,511,365	497,718,148
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**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2020**

*(The figures have not been audited)*

	← Exchange Translation Reserve		Non-Distributable Assets Revaluation Reserve		Warrant Reserve		Other Reserve		Distributable (Accumulated Losses)		Reserves of disposal group classified as held for sale		Total
	Share Capital	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
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	-	-	(638,643)	-	-	-	-	-	-	-	-	(638,643)	
Par Value Reduction	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer of share premium upon abolishment of par value	-	-	-	-	-	-	-	-	-	-	-	-	
Issuance of shares pursuant to ESOS/private placement	6,902,248	-	-	94,996	-	-	-	-	-	-	-	6,997,244	
Profit/(loss) for the period	-	-	-	-	-	-	-	(7,922,099)	-	-	-	(7,922,099)	
Reserves of disposal group classified as held for sale	-	-	-	-	-	-	-	-	-	(296,232)	-	(296,232)	
Total comprehensive profit/(loss) for the period & transactions with owners	6,902,248	-	(638,643)	94,996	-	-	(7,922,099)	-	(7,922,099)	(296,232)	(1,859,730)	(1,859,730)	
At 31 March 2020	59,423,669	-	7,416,917	94,996	8,019,821	-	(8,019,821)	-	(25,826,728)	-	-	41,108,854	
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	-	-	-	-	-	-	-	-	-	-	-	-	
Payment of rights issue expenses	4,147,651	-	-	-	-	-	-	-	-	-	-	4,147,651	
Loss for the year	-	-	-	-	-	-	-	(3,845,969)	-	-	-	(3,845,969)	
Total comprehensive profit/(loss) for the year & transactions with owners	4,147,651	(986,327)	1,740,292	-	-	-	(3,845,969)	-	(3,845,969)	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	

**Period ended 31 March 2020**

At 1 January 2019

Exchange translation differences  
Par Value Reduction  
Transfer of share premium upon abolishment of par value  
Issuance of shares pursuant to ESOS/private placement  
Profit/(loss) for the period  
Reserves of disposal group classified as held for sale  
Total comprehensive profit/(loss) for the period & transactions with owners

At 31 March 2020

**Period ended 31 December 2018**

At 1 January 2018

Exchange translation differences  
Par Value Reduction  
Transfer of share premium upon abolishment of par value  
Payment of rights issue expenses  
Loss for the year  
Total comprehensive profit/(loss) for the year & transactions with owners

At 31 December 2018

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 MARCH 2020**  
*(The figures have not been audited)*

	<b>15 MONTHS ENDED 31/03/2020 RM</b>	<b>AUDITED AS AT 31/12/2018 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(8,223,485)	(5,360,702)
Adjustments for:		
Depreciation	1,628,449	2,087,420
Loss on disposal of investment in subsidiary	1,873,628	-
Adjustment for loss for the first quarter of FY2020 upon disposal of subsidiary	(174,431)	-
Loss/(Gain) on disposal of property, plant and equipment	(270,718)	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	87,235	422,756
Interest income	(107)	(157,506)
Unrealised loss/(gain) on foreign exchange	-	12,708
Operating (loss)/profit before working capital changes	(5,079,429)	(313,929)
(Increase)/decrease in inventories	(119,995)	578,116
(Increase)/decrease in receivables	(4,386,136)	(3,434,278)
Increase/(decrease) in payables	(239,127)	297,697
	(9,824,687)	(2,872,394)
Cash used in operations		
Income taxes paid	(48,298)	(136,277)
Income taxes refunded	111,532	31,631
Net cash used in operating activities	(9,761,453)	(2,977,040)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,056,434)	(498,599)
Interest received	107	157,506
Proceeds from disposal of investment in subsidiary	3,463,084	-
Proceeds from disposal of property, plant and equipment	630,300	13,476
Net cash used in investing activities	3,037,057	(327,617)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from Directors	-	306,269
Interest paid	(87,235)	(422,756)
Proceeds from private placement	6,902,248	4,147,651
Proceeds from reissue of Esos shares	94,996	-
Fixed deposit withdrawal	5,351,861	-
Repayment of term loans	(583,298)	(1,085,134)
Repayment of hire purchase obligations	(142,419)	(494,701)
Net cash generated/(used) in financing activities	11,536,153	2,451,329
Net increase/(decrease) in cash and cash equivalents	4,811,757	(853,328)
Effect of exchange rate changes	-	31,405
Cash and cash equivalents brought forward	(4,384,494)	(3,562,571)
Cash and cash equivalents carried forward	427,263	(4,384,494)
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	427,263	636,352
Fixed deposits with licensed banks	260,000	5,611,862
	687,263	6,248,214
Less: Pledged deposits	(260,000)	(5,611,862)
	427,263	636,352
Bank Overdraft	-	(5,020,846)
Cash and cash equivalents	427,263	(4,384,494)

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Group's Annual Audited Financial Statements for the year ended 31 December 2018.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2020**

**A NOTES TO THE INTERIM FINANCIAL REPORT**

**A1 Basis of preparation of Interim Financial Report**

The interim financial report has been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's annual audited financial statements as at 31 December 2018. Certain comparatives figures were restated to conform with the disclosure reporting period.

On 02 March 2020, the Company announced that the Board of Directors approved the change of the Company's financial year end from 31 December to 30 June. The next audited financial statements of the Company shall be for a period of eighteen (18) months, made up from 1 Jan 2019 to 30 June 2020. Thereafter, the subsequent financial years of the Company shall end on 30 June. The change of financial year end shall apply to the Company and its subsidiaries.

**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 were 40,228,000 shares issued under private placement during the quarter.

**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	15 months	12 months
	quarter	corresponding	period	period
	31/03/2020	31/03/2019	ended	ended
	31/03/2020	31/12/2018	31/03/2020	31/12/2018
Malaysia	180,638	(30,139)	531,941	4,678,502
Thailand	1,589,568	3,014,855	9,428,739	16,021,792
United States of America	137,852	296,438	706,592	2,120,634
United Kingdom	-	-	-	6,482
Other Asia Pacific countries	27,853	322,082	921,046	1,819,460
	1,935,911	3,603,236	11,588,318	24,646,870
	-	-	-	-
	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	31/03/2020	31/12/2018	31/03/2020	31/12/2018
Malaysia	47,483,766	46,937,607	1,056,434	131,981
Thailand	-	6,773,289	-	878,332
	47,483,766	53,710,896	1,056,434	1,010,313
	-	-	-	-

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

The Group do not revalued its property, plant and equipment during the period under review. As at 31 March 2020, property, plant and equipment stated 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 31 March 2020 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.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2020**

**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 recorded RM1.936 million, representing a decrease of RM1.667 million (or 46%) from RM3.603 million of the preceding year corresponding quarter. The lower revenue is attributable to the non contribution revenue from subsidiary after disposal

The Group recorded loss before tax of RM0.742 million for the quarter under review as compared to loss before tax of RM0.714 million in the preceding year corresponding quarter (Q1-2019). The increase in loss before tax of approximately RM0.028 million as compared to the corresponding quarter in preceding year was mainly due to higher administrative cost.

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

During the quarter under review, sales increased by RM0.123 million (Revenue, Q5-2020: RM1.936 million - Q4-2020: RM1.813 million) compared to preceding quarter. The increase of sales was mainly due to increase in demand of goods from our customers.

The Group recorded loss before tax of RM0.742 million for the quarter under review as compared to loss before tax of RM3.937 million in the immediate preceding quarter (Q4-2020). The decrease in loss before tax of RM3.195 million was mainly due to the full recognition of Employee Share Option Scheme expenses exercise during the year.

**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 the existing business level for the financial year 2020 . There are various cost saving measures have been in place to improve the Gross Profit margin and lower the operating expenditure.

Theme

The theme park component of the Group has yet to be fully operational and is not expected to contribute significantly to the Group in Q6 2020.

**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 30 June 2020.

**B5 Taxation**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2020 RM	Preceding year corresponding quarter 31/03/2019 RM	15 Months period ended 31/03/2020 RM	12 Months period ended 31/12/2018 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 March 2020 (RM'000)	Valuation for utilisation of proceeds as at 31 March 2020 (RM'000)	Balance to be utilised as at 31 March 2020 (RM'000)
Payment for Subscription Shares	15,900	15,900	-	-
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>22,601</b>	<b>-</b>	<b>4,926</b>

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.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2020**

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.

On 22 August, the Board of Directors' of MQ Tech announce that:

- (i) SASB and CSSB had mutually agreed to further extend the SSA Cut-Off Date from 20 July 2019 to 19 January 2020 for the parties to obtain/ fulfil the conditions precedent pursuant to the SSA; and
- (ii) CSSB and CSPSB had mutually agreed to further extend the SPA Cut-Off Date from 20 July 2019 to 19 January 2020 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	Actual Utilisation as at 30 June 2018	Timeframe for utilisation	Balance to be utilised as at 30 June 2018
	(RM'000)	(RM'000)		(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.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 MARCH 2020**

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 18/10/2019, The Board of Directors of MQ Tech (Company) has entered into a shareholders' agreement with Kafa and shall inject a capital investment of Ringgit Malaysia Three Million Only (RM3,000,000.00) which represent 100% of the shareholding of SPV; and By way of goodwill, MQ shall divest 30% of the shareholdings in the SPV to Kafa for a consideration of Ringgit Malaysia One (RM1.00) only

On 18/10/2019. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to extend the Cut-Off Date from 18 October 2019 to 17 November 2019 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

On 15/10/2019. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to extend the Cut-Off Date from 18 October 2019 to 17 November 2019 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

On 15/11/2019. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to extend the Cut-Off Date from 18 November 2019 to 17 December 2019 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

On 17/12/2019. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to further extend the Cut-Off Date for another one (1) month from 17 December 2019 to 16 January 2020 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

On 13/01/2020. The Board of Directors' of MQ Tech wishes to announce that the Board had on 13 January 2020 ("Price Fixing Date") fixed the issue price at RM0.0173 per Placement Share ("Issue Price"). The Issue Price represents a discount of approximately 9.9% to the 5-day VWAMP of the Shares up to and including 10 January 2020, being the last full trading day immediately prior to the Price Fixing Date, of RM0.0192 per Share.

On 17/01/2020. The Board of Directors' of MQ Tech wishes to announce that SASB and CSSB had mutually agreed to further extend the SSA Cut-Off Date from 20 January 2020 to 19 July 2020 for the parties to obtain/ fulfil the conditions precedent pursuant to the SSA. CSSB and C PSPB had mutually agreed to further extend the SPA Cut-Off Date from 20 January 2020 to 19 July 2020 for the parties to obtain, fulfil or waive the conditions precedent pursuant to the SPA.

On 17/01/2020. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to further extend the Cut-Off Date for another one (1) month from 17 January 2020 to 16 February 2020 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

On 14/02/2020. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to further extend the Cut-Off Date for another one (1) month from 17 February 2020 to 16 March 2020 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

On 02/03/2020. The Board of Directors of the Company has approved the change of financial year end of the Company from 31 December to 30 June. Following the change of financial year end, the next set of audited financial statements shall be made up for a period of 18 months from 1 January 2019 to 30 June 2020.

On 16/03/2020. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and Kafa had mutually agreed to further extend the Cut-Off Date for another one (1) month from 17 March 2020 to 16 April 2020 for the parties to obtain/ fulfil the conditions precedent pursuant to the Agreement.

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

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

	Current Year Quarter 31/03/2020					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing	Foreign Borrowing	Local Borrowing
<b>Secured Borrowings</b>						
Hire Purchase	-	-	-	70,000	-	70,000
Term Loan	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-
Sub total	-	-	-	70,000	-	70,000
	Preceding Year Quarter 31/03/2019					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing	Foreign Borrowing	Local Borrowing
<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

	Current Year Quarter 31/03/2020	Preceding Year Quarter 31/03/2019
Weighted Average Fixed Interest Rate - Hire Purchase	6.25%	6.39%
Weighted Average Floating Interest Rate - Overdraft	Nil	5.00%
Weighted Average Floating Interest Rate - Term Loan	Nil	7.04%



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**B10 Realised and Unrealised Profit or Losses**

	As at 31/03/2020	As at 31/12/2018
Total retained profits of the Company and its subsidiaries:-		
- Realised gain / (loss)	(42,716,293)	(35,858,644)
- Unrealised gain / (loss)	-	-
	(42,716,293)	(35,858,644)
Less: Consolidation adjustments and eliminations	16,889,565	17,954,015
Total Accumulated losses as per statement of financial position	(25,826,728)	(17,904,629)

**B11 Profit for the Period**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2020 RM	Preceding year corresponding quarter 31/03/2019 RM	Current year to date 31/03/2020 RM	12 Months period ended 31/12/2018 RM
Profit for the period is arrived at after crediting:				
Interest income	18	33	107	157,504
Other income / (loss)	39,542	69,774	431,102	150,758
Gain/(loss) on disposal of property, plant and equipment	36,812	39,804	270,718	81,467
Unrealised Foreign exchange gain or (Loss)	-	-	-	-
and after charging:				
Interest expense	(491)	90,372	(87,235)	422,756
Depreciation	(296,929)	579,572	(1,628,449)	2,087,420

There were gain on disposal of Motor vehicle for current quarter and financial period ended 31 March 2020.

**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 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 31/03/2020	Preceding year corresponding quarter 31/03/2019	15 Months period ended 31/03/2020	12 Months period ended 31/12/2018
Profit/(loss) after tax attributable to shareholders (RM)	(740,496)	(712,009)	(8,221,966)	(5,319,211)
Weighted average number of ordinary shares in issue	682,511,365	597,718,148	646,556,034	463,400,596
Loss per share - (Sen)				
Basic	(0.11)	(0.12)	(1.27)	(1.15)
Diluted	NA	NA	NA	NA

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

The 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, with regards to the investment in the theme park business.

Board of Directors of MQ Technology Berhad ("the Company") further clarified on the following:-

- (a) The Qualified Opinion disclosed in the Independent Auditors' Report are not a material uncertainty related to going concern.
- (b) That the Independent Auditors have expressed an "except for" opinion in respect of the Company's investment in the theme park.
- (c) The Management is reassessing the viability of the theme park business in view of the current economic and political conditions and is in the midst of determining the most appropriate options and / or measures to actualise the investment.
- (d) Barring unforeseen circumstances, the Board expects to address the matter concerned within the next financial year.

**B17 Authorise for issue**

The interim financial statements were authorised for issue by the Board of Directors on 29 June 2020.

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**B18 Other income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/03/2020 RM	Preceding year corresponding quarter 31/03/2019 RM	15 Months period ended 31/03/2020 RM	12 Months period ended 31/12/2018 RM
Other income	102,627	69,807	431,209	309,370
<b>MQ</b>				
Unrealised gain on forex	-	-	-	1,107
Gain on disposal of investment in subsidiary	63,085	-	63,085	-
<b>MPT</b>				
Interest received	18	30	107	157,105
Scrap sales	2,712	5,308	21,092	23,312
Vending machine rental received	-	-	-	-
Unrealised gain on forex	-	-	-	-
Gain on disposal of fixed assets	36,812	-	282,456	-
<b>MPTS</b>				
Interest Income	-	3	3	399
Gain on Sale of asset	-	39,804	39,804	-
Sale Scrap	-	-	-	21,250
Other Income	-	24,662	24,662	106,195
<b>SA</b>				
Interest Income	-	-	-	2

**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 within the group, and below are the gross trade receivable aging analysis:-

Third parties

**MPT - Trade receivable aging as at 31.03.2020**

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current
COD	(8,152)	-	-	-	-	2,340
30	(3,038)	-	-	16,739	3,800	1,268
45	(4,490)	-	-	-	-	-
50	88,980	-	54,143	288,300	101,076	54,600
60	(5,449)	-	72,155	303,138	494,928	120,343
90	-	-	-	29,728	75,435	32,881
	67,851	-	126,298	637,905	675,239	211,432
Advance received from debtor	-	-	-	-	-	-
Unrealised gain/(loss) foreign exchange	-	-	-	-	-	69,602
	67,851	-	126,298	637,905	675,239	281,034

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.

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 WI	Supply of Automation and Precision parts

WI – Wistech Integration Sdn Bhd

ZT – Zoomic Technology (Thailand) Co., Ltd