

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

SUMMARY OF KEY FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 JUNE 2020

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)	18 MONTHS YEAR TO DATE	12 MONTHS AUDITED	CHANGES Favourable/ (Unfavourable)
	30/06/2020 RM '000	30/06/2019 RM '000	RM '000	30/06/2020 RM '000	31/12/2018 RM '000	RM '000
1 Revenue	1,057	2,259	(1,202) -53%	12,645	24,647	(12,002) -49%
2 Profit/(Loss) before tax	(6,870)	(2,222)	(4,648) -209%	(15,094)	(5,361)	(9,733) -182%
3 Profit/(Loss) for the period	(6,870)	(2,222)	(4,648) -209%	(15,092)	(5,319)	(9,773) -184%
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	(6,870)	(2,313)	(4,557) -197%	(15,092)	(5,215)	(9,877) -189%
5 Basic Profit/(loss) per share	(0.96)	(0.35)	(0.61) -174%	(2.28)	(1.15)	(1.13) -98%
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)
	30/06/2020 RM '000	31/03/2020 RM '000	RM '000
	1 Revenue	1,057	1,936
2 Profit/(Loss) before tax	(6,870)	(742)	(6,128) -826%
3 Profit/(Loss) for the period	(6,870)	(740)	(6,130) -828%
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	(6,870)	(740)	(6,130) -828%
5 Basic Profit/(loss) per share	(0.96)	(0.11)	(0.85) -773%
6 Proposed/Declared dividend per share	-	-	

	AS AT END OF CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	30/06/2020 RM	30/06/2019 RM
	7 Net assets per share attributable to ordinary equity holders of the parent	0.05

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)	18 MONTHS YEAR TO DATE	12 MONTHS AUDITED	CHANGES Favourable/ (Unfavourable)
	30/06/2020 RM	30/06/2019 RM	RM	30/06/2020 RM	31/12/2018 RM	RM
Net (loss)/profit for the period - RM	(6,870,359)	(2,222,411)	(4,647,948) -209%	(15,092,325)	(5,319,211)	(9,773,114) -184%
Number of shares in issue	716,539,701	642,283,365		661,865,563	463,400,596	
Profit/(Loss) per share (sen) - Basic	(0.96)	(0.35)	(0.61) -174%	(2.28)	(1.15)	(1.13) -98%

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED 30 JUNE 2020**

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/06/2020 RM	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2019 RM	UNAUDITED 18 MONTHS ENDED 30/06/2020 RM	AUDITED 12 MONTHS ENDED 31/12/2018 RM
Revenue	1,056,695	2,258,603	12,645,013	24,646,870
Cost of sales	(1,375,366)	(1,600,909)	(11,713,035)	(20,319,236)
Gross Profit/(loss)	(318,671)	657,694	931,978	4,327,634
Other income	163,814	6,417	595,023	309,370
Operating expenses	(6,715,502)	(2,875,133)	(16,517,113)	(9,574,950)
Finance cost	-	(11,389)	(103,732)	(422,756)
Profit/(Loss) before tax	(6,870,359)	(2,222,411)	(15,093,844)	(5,360,702)
Tax income	-	-	1,519	41,491
Net Profit/(loss) for the period	(6,870,359)	(2,222,411)	(15,092,325)	(5,319,211)
Other comprehensive Profit/(loss) after tax:				
Exchange translation differences	-	(90,348)	(25)	104,430
Other comprehensive profit for the period, net of tax	-	(90,348)	(25)	104,430
Total comprehensive profit/(loss) for the period attributable to Equity holders of the Company	(6,870,359)	(2,312,759)	(15,092,350)	(5,214,781)
Earnings per share - (Sen)				
Basic	(0.96)	(0.35)	(2.28)	(1.15)
Diluted	NA	NA	NA	NA

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 18 months, made up from 1 Jan 2019 to 30 June 2020 . 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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020
(The figures have not been audited)

	UNAUDITED AS AT 30/06/2020 RM	AUDITED AS AT 31/12/2018 RM
NON-CURRENT ASSETS		
Property, plant and equipment	15,761,574	18,195,946
	15,761,574	18,195,946
CURRENT ASSETS		
Inventories	579,052	809,449
Trade and other receivables	24,722,337	26,329,151
Current tax assets	66,080	120,314
Cash and bank balances	662,752	6,248,214
Assets of disposal group classified as held for sales	-	5,895,461
	26,030,221	39,402,589
CURRENT LIABILITIES		
Trade and other payables	3,320,428	4,030,313
Borrowings	16,172	6,020,365
	3,336,600	10,050,678
NET CURRENT ASSETS	22,693,621	29,351,911
NON-CURRENT LIABILITIES		
Borrowings	48,690	32,468
Deferred tax liabilities	2,340,673	2,393,347
Liabilities of disposal group classified as held for sales		2,153,458
	2,389,363	4,579,273
NET ASSETS	36,065,832	42,968,584
FINANCED BY		
Share capital	60,788,981	52,521,421
Exchange translation reserve	(25)	-
Revaluation Reserve	7,416,942	8,055,560
Share Option reserve	557,021	-
Warrant reserve	8,019,821	8,019,821
Other reserve	(8,019,821)	(8,019,821)
Accumulated losses	(32,697,087)	(17,904,629)
Reserves of disposal group held for sale	-	296,232
SHAREHOLDERS' EQUITY	36,065,832	42,968,584
Net assets ("NA") per share (RM)	0.05	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.

Number of shares in issue	716,539,701	497,718,148
---------------------------	-------------	-------------

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2020
(The figures have not been audited)

	←	Non-Distributable		→					
	Exchange Translation Reserve	Assets Revaluation Reserve	Share Option Reserve	Warrant Reserve	Other Reserve	Distributable (Accumulated Losses)	Reserves of disposal group classified as held for sale	Total	
	RM	RM	RM	RM	RM	RM	RM	RM	
Period ended 30 June 2020									
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	-	(25)	(638,618)	-	-	-	-	-	(638,643)
Par Value Reduction	-	-	-	-	-	-	-	-	-
Transfer of share premium upon abolishment of par value	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to ESOS/private placement	8,267,560	-	-	557,021	-	-	-	-	8,824,581
Profit/(loss) for the period	-	-	-	-	-	(14,792,458)	-	-	(14,792,458)
Reserves of disposal group classified as held for sale	-	-	-	-	-	-	(296,232)	-	(296,232)
Total comprehensive profit/(loss) for the period & transactions with owners	8,267,560	(25)	(638,618)	557,021	-	-	(14,792,458)	(296,232)	(6,902,752)
At 30 June 2020	60,788,981	(25)	7,416,942	557,021	8,019,821	(8,019,821)	(32,697,087)	-	36,065,832
Period ended 31 December 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	-	(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	-	-	-	-	-	(3,845,989)	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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020
(The figures have not been audited)

	18 MONTHS ENDED 30/06/2020 RM	AUDITED AS AT 31/12/2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before tax	(15,093,844)	(5,360,702)
Adjustments for:		
Depreciation	1,839,729	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
Impairment loss on other receivables	3,500,000	-
Allowance for expected credit losses on:-		
Trade receivables	-	6,927
Other receivables	-	225,000
Interest expense	88,651	422,756
Interest income	(173)	(157,506)
Unrealised loss/(gain) on foreign exchange	-	12,708
Operating (loss)/profit before working capital changes	<u>(8,237,158)</u>	<u>(313,929)</u>
(Increase)/decrease in inventories	230,396	578,116
(Increase)/decrease in receivables	(2,383,765)	(3,434,278)
Increase/(decrease) in payables	<u>(831,988)</u>	<u>297,697</u>
Cash used in operations	(11,222,515)	(2,872,394)
Income taxes paid	(57,298)	(136,277)
Income taxes refunded	111,532	31,631
Net cash used in operating activities	<u>(11,168,281)</u>	<u>(2,977,040)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,564,966)	(498,599)
Interest received	173	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	<u>2,528,591</u>	<u>(327,617)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from Directors	-	306,269
Interest paid	(88,651)	(422,756)
Proceeds from private placement	8,267,560	4,147,651
Proceeds from reissue of ESOS shares	557,021	-
Fixed deposit withdrawal	5,351,861	-
Hire purchase loan received	70,000	-
Repayment of term loans	(583,298)	(1,085,134)
Repayment of hire purchase obligations	(147,557)	(494,701)
Net cash generated/(used) in financing activities	<u>13,426,936</u>	<u>2,451,329</u>
Net increase/(decrease) in cash and cash equivalents	4,787,246	(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	<u>402,752</u>	<u>(4,384,494)</u>
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	402,752	636,352
Fixed deposits with licensed banks	260,000	5,611,862
	<u>662,752</u>	<u>6,248,214</u>
Less: Pledged deposits	<u>(260,000)</u>	<u>(5,611,862)</u>
	402,752	636,352
Bank Overdraft	-	(5,020,846)
Cash and cash equivalents	<u>402,752</u>	<u>(4,384,494)</u>

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.

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 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 24,000,336 shares issued under private placement and 10,028,000 shares issued under ESOS respectively 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 quarter 30/06/2020	Preceding year corresponding quarter 30/06/2019	18 months period ended 30/06/2020	12 months period ended 31/12/2018
Malaysia	173,089	95,343	685,794	4,678,502
Thailand	827,903	1,505,983	10,256,643	16,021,792
United States of America	49,043	118,507	774,871	2,120,634
United Kingdom	-	-	-	6,482
Other Asia Pacific countries	6,660	538,770	927,705	1,819,460
	1,056,695	2,258,603	12,645,013	24,646,870
	-	-	-	-
	SEGMENT ASSETS		CAPITAL EXPENDITURE	
	30/06/2020	31/12/2018	30/06/2020	31/12/2018
Malaysia	45,291,795	46,937,607	1,564,966	131,981
Thailand	-	6,773,289	-	878,332
	45,291,795	53,710,896	1,564,966	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 30 June 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 30 June 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.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 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 RM1.057 million, representing a decrease of RM1.202 million (or 53%) from RM2.259 million of the preceding year corresponding quarter. The decrease in revenue for the current quarter was due to the impact of COVID-19.

The Group recorded loss before tax of RM6.870 million for the quarter under review as compared to loss before tax of RM2.222 million in the preceding year corresponding quarter (Q2-2020). The increase in loss before tax of approximately RM4.648 million as compared to the corresponding quarter in preceding year was mainly due to ESOS expenses, impairment loss provided for other receivables and higher administrative cost.

B2 Variation of results against immediate preceding quarter

During the quarter under review, sales decreased by RM0.879 million (Revenue, Q6-2020: RM1.057 million - Q5-2020: RM1.936 million) compared to preceding quarter. The decrease of sales was mainly due to COVID-19 lockdown that impacted the decrease in demand of goods from our customers.

The Group recorded loss before tax of RM6.870 million for the quarter under review as compared to loss before tax of RM0.742 million in the immediate preceding quarter (Q5-2020). The increase in loss before tax of RM6.128 million was mainly due to ESOS expenses incurred, impairment loss provided for other receivables, GST input tax not allowed and professional fees paid for marketing agreement and Melaka Theme Park.

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 2021. There are various cost saving measures have been in place to improve the Gross Profit margin and lower the operating expenditure.

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 Q1 2021.

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 ended 30/06/2020	Preceding year corresponding quarter ended 30/06/2019	18 Months period ended 30/06/2020	12 Months period ended 31/12/2018
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 30 June 2020	Valuation for utilisation of proceeds as at 30 June 2020	Balance to be utilised as at 30 June 2020
	(RM'000)	(RM'000)	(RM'000)	(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	-	-
Total	27,527	22,601	-	4,926

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.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 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 (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.

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 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 CSPSB 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.

On 14/04/2020. 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 three (3) months from 17 April 2020 to 16 July 2020 for the parties to obtain/fulfil the conditions precedent pursuant to the Agreement.

On 22/05/2020. The Board of Directors of MQ Technology Berhad ("the Company") wishes to announce that the Company had received the notice in writing given pursuant to Section 281 of the Companies Act, 2016 from Messrs PKF (PKF) on their resignation as Auditors of the Company.

On 09/06/2020. On behalf of the Board, Mercury Securities wishes to announce that the Placement has been completed on 9 June 2020 following the listing of and quotation for 24,000,336 Shares on the ACE Market of Bursa Securities, being the last tranche of the Placement.

On 19/06/2020. The Board of Directors wishes to clarify that the Company has intention and will be in negotiation with Semperit Group on the proposed acquisition of Latexx. The terms of acquisition have yet to be finalised.

Utilisation of Proceeds from Private Placement

Total actual funds received were approximately RM1.236 million as announced on 20/01/2020 and 05/06/2020 respectively.

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation as at 30 June 2020 (RM'000)	Timeframe for utilisation	Balance to be utilised as at 30 June 2020 (RM'000)
Collaboration with Kelantan Football Association ("KAFA")	1,086	200	24 months	-
Estimated expenses for the Proposal	150	61	1 month	-
Working Capital for MQTech and its subsidiaries	-	975	-	-
	1,236	1,236		-

On 16/07/2020. The Board of Directors' of MQ Tech wishes to announce that MQ Tech and KAFA had mutually agreed to terminate the Memorandum of Understanding dated 18 July 2019 due to unsatisfactory financial performance and mounting debts incurred by previous management team. The Board is of opinion that the venture is not financially viable. The outbreak of Covid 19 Pandemic also further erode the games gate collection and impact group's net worth. Accordingly, the unutilised funds proceed from private placement will be used for working capital.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2020

B9 Group's borrowings and debt securities

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

	Current Year Quarter 30/06/2020					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing	Foreign Borrowing	Local Borrowing
Secured Borrowings						
Hire Purchase	-	48,690	-	16,172	-	64,862
Term Loan	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-
Sub total	-	48,690	-	16,172	-	64,862
	Preceding Year Quarter 30/06/2019					
	Long term		Short term		Total borrowings	
	Foreign Borrowing (RM)	Local Borrowing (RM)	Foreign Borrowing (RM)	Local Borrowing	Foreign Borrowing	Local Borrowing
Secured Borrowings						
Hire Purchase	-	2,869	-	75,068	-	77,937
Term Loan	-	-	-	83,294	-	83,294
Overdraft	-	-	-	-	-	-
Sub total	-	2,869	-	158,362	-	161,231

	Current Year Quarter 30/06/2020	Preceding Year Quarter 30/06/2019
Weighted Average Fixed Interest Rate - Hire Purchase	3.32%	13.04%
Weighted Average Floating Interest Rate - Overdraft	Nil	Nil
Weighted Average Floating Interest Rate - Term Loan	Nil	7.04%

B10 Realised and Unrealised Profit or Losses

	As at 30/06/2020	As at 31/12/2018
Total retained profits of the Company and its subsidiaries:-		
- Realised gain / (loss)	(49,586,652)	(35,858,644)
- Unrealised gain / (loss)	-	-
	(49,586,652)	(35,858,644)
Less: Consolidation adjustments and eliminations	16,889,565	17,954,015
Total Accumulated losses as per statement of financial position	(32,697,087)	(17,904,629)

B11 Profit for the Period

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2020 RM	Preceding year corresponding quarter 30/06/2019 RM	Current year to date 30/06/2020 RM	12 Months period ended 31/12/2018 RM
Profit for the period is arrived at after crediting:				
Interest income	66	17	173	157,504
Other income / (loss)	163,748	6,400	324,132	150,758
Gain/(loss) on disposal of property, plant and equipment	-	(39,804)	270,718	81,467
Unrealised Foreign exchange gain or (Loss)	-	-	-	-
and after charging:				
Interest expense	(1,416)	(5,163)	(88,651)	422,756
Depreciation	(211,280)	134,928	(1,839,729)	2,087,420

The gain on disposal of PPE were mostly derived from sales of motor vehicles and machinery during the financial year ended 30/06/2020.

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 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.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2020

B15 Profit / (loss) per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2020	Preceding year corresponding quarter 30/06/2019	18 Months period ended 30/06/2020	12 Months period ended 31/12/2018
Profit/(loss) after tax attributable to shareholders (RM)	(6,870,359)	(2,222,411)	(15,092,325)	(5,319,211)
Weighted average number of ordinary shares in issue	716,539,701	642,283,365	661,865,563	463,400,596
Loss per share - (Sen)				
Basic	(0.96)	(0.35)	(2.28)	(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:-

- The Qualified Opinion disclosed in the Independent Auditors' Report are not a material uncertainty related to going concern.
- That the Independent Auditors have expressed an "except for" opinion in respect of the Company's investment in the theme park.
- 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.
- 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 28 August 2020.

B18 Other income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 30/06/2020 RM	Preceding year corresponding quarter 30/06/2019 RM	18 Months period ended 30/06/2020 RM	12 Months period ended 31/12/2018 RM
Other income	163,814	6,417	595,023	309,370
MQ				
Unrealised gain on forex	-	-	-	1,107
Gain on disposal of investment in subsidiary	-	-	63,085	-
MPT				
Interest received	66	20	173	157,105
Scrap sales	1,852	6,397	22,944	23,312
Vending machine rental received	-	-	-	-
Unrealised gain on forex	-	-	-	-
Gain on disposal of fixed assets	-	-	282,456	-
MPTS				
Interest Income	-	-	3	399
Gain on Sale of asset	-	-	39,804	-
Sale Scrap	-	-	-	21,250
Other Income	-	-	24,662	106,195
SA				
Recovery of payroll payments made in FY2018	161,896	-	161,896	-
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.

MQ TECHNOLOGY BERHAD
(Company No. 635804-H)
(Incorporated in Malaysia)
QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 30 JUNE 2020

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 30.06.2020

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current
COD	(8,152)	-	2,340	1,365	-	1,950
30	(3,037)	-	1,268	4,389	7,152	-
45	(4,490)	-	-	-	-	-
50	76,740	-	24,722	44,040	65,193	40,015
60	(5,449)	-	-	72,161	417,535	265,057
90	-	-	-	350	63,516	64,915
	55,612	-	28,330	122,305	553,396	371,937
Advance received from debtor	-	-	-	-	-	-
Unrealised gain/(loss) foreign exchange	-	-	-	-	-	(10,314)
	55,612	-	28,330	122,305	553,396	361,623

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