

**MQ TECHNOLOGY BERHAD**  
(Company No. 200301033383 (635804-H))  
(Incorporated in Malaysia)

**SUMMARY OF KEY FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 DECEMBER 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)	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD	CHANGES Favourable/ (Unfavourable)
	31/12/2020 RM '000	31/12/2019 RM '000	RM '000	31/12/2020 RM '000	31/12/2019 RM '000	RM '000
1 Revenue	2,290	1,813	476 26%	3,584	3,791	(207) -5%
2 Profit/(Loss) before tax	48	(3,937)	3,985 101%	(486)	(4,545)	4,059 89%
3 Profit/(Loss) for the period	48	(3,937)	3,985 101%	(486)	(4,547)	4,061 89%
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	48	(3,937)	3,985 101%	(486)	(4,547)	4,061 89%
5 Basic Profit/(loss) per share	0.01	(0.61)	0.62 102%	(0.07)	(0.71)	0.64 90%
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)	
	31/12/2020 RM '000	30/09/2020 RM '000	RM '000	
	1 Revenue	2,290	1,294	996
2 Profit/(Loss) before tax	48	(534)	582	109%
3 Profit/(Loss) for the period	48	(534)	582	109%
4 Net Profit/(loss) attributable to ordinary equity holders of the parent	48	(534)	582	109%
5 Basic Profit/(loss) per share	0.01	(0.07)	0.08	114%
6 Proposed/Declared dividend per share	-	-		

	AS AT END OF CURRENT QUARTER	PRECEDING YEAR CORRESPONDING QUARTER
	31/12/2020 RM	31/12/2019 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](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)
	31/12/2020 RM	31/12/2019 RM	RM	31/12/2020 RM	31/12/2019 RM	RM
Net (loss)/profit for the period - RM	48,321	(3,937,386)	3,985,707 101%	(485,647)	(4,547,050)	4,061,403 89%
Number of shares in issue	730,529,984	642,283,365		727,164,140	642,283,365	
Profit/(Loss) per share (sen) - Basic	0.01	(0.61)	0.62 102%	(0.07)	(0.71)	0.64 90%

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**  
*(The figures have not been audited)*

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>CURRENT YEAR QUARTER 31/12/2020 RM</b>	<b>PRECEDING YEAR CORRESPONDING QUARTER 31/12/2019 RM</b>	<b>CURRENT YEAR TO DATE 31/12/2020 RM</b>	<b>PRECEDING YEAR CORRESPONDING PERIOD 31/12/2019 RM</b>
Revenue	2,289,795	1,813,470	3,583,994	3,790,568
Cost of sales	(1,575,836)	(1,951,862)	(2,617,928)	(3,975,143)
Gross Profit/(loss)	<u>713,959</u>	<u>(138,392)</u>	<u>966,066</u>	<u>(184,575)</u>
Other income	73,742	140,640	76,443	252,358
Operating expenses	(738,004)	(3,938,942)	(1,525,119)	(4,611,079)
Finance cost	(1,376)	(491)	(3,037)	(1,878)
Profit/(Loss) before tax	<u>48,321</u>	<u>(3,937,185)</u>	<u>(485,647)</u>	<u>(4,545,174)</u>
Tax income	-	(201)	-	(1,876)
Net Profit/(loss) for the period	<u><u>48,321</u></u>	<u><u>(3,937,386)</u></u>	<u><u>(485,647)</u></u>	<u><u>(4,547,050)</u></u>
Other comprehensive Profit/(loss) after tax:				
Exchange translation differences	-	-	-	-
Other comprehensive profit for the period, net of tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive profit/(loss)	<u><u>48,321</u></u>	<u><u>(3,937,386)</u></u>	<u><u>(485,647)</u></u>	<u><u>(4,547,050)</u></u>
Total comprehensive profit/(loss) for the period attributable to Equity holders of the Company	<u><u>48,321</u></u>	<u><u>(3,937,386)</u></u>	<u><u>(485,647)</u></u>	<u><u>(4,547,050)</u></u>
Earnings per share - (Sen)				
Basic	0.01	(0.61)	(0.07)	(0.71)
Diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

*(The figures have not been audited)*

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>31/12/2020</b>	<b>30/06/2020</b>
	<b>RM</b>	<b>RM</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	17,165,333	17,571,320
Right-of-use Assets	12,934	32,337
	17,178,267	17,603,657
Other investments	3,650,000	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>20,828,267</b>	<b>17,603,657</b>
 <b>CURRENT ASSETS</b>		
Inventories	603,606	579,052
Trade and other receivables	24,000,156	25,213,984
Current tax assets	68,381	56,381
Cash and bank balances	596,291	662,752
	25,268,434	26,512,169
<b>CURRENT LIABILITIES</b>		
Trade and other payables	5,403,183	3,336,431
Borrowings	56,919	16,172
	5,460,102	3,352,603
<b>NET CURRENT ASSETS</b>	<b>19,808,332</b>	<b>23,159,566</b>
 <b>NON-CURRENT LIABILITIES</b>		
Borrowings	-	48,690
Deferred tax liabilities	3,873,125	3,873,125
	3,873,125	3,921,815
<b>NET ASSETS</b>	<b>36,763,474</b>	<b>36,841,408</b>
 <b>FINANCED BY</b>		
Share capital	61,753,715	60,788,981
Revaluation Reserve	8,055,560	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	(33,045,801)	(32,560,154)
<b>SHAREHOLDERS' EQUITY</b>	<b>36,763,474</b>	<b>36,841,408</b>
 Net assets ("NA") per share (RM)	 0.05	 0.05

**MQ TECHNOLOGY BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2020**  
*(The figures have not been audited)*

	←	Non-Distributable		→		Distributable	Reserves of		
Share Capital	Exchange Translation Reserve	Assets Revaluation Reserve	Share Option Reserve	Warrant Reserve	Other Reserve	(Accumulated Losses)	disposal group classified as held for sale	Total	
RM	RM	RM	RM	RM	RM	RM	RM	RM	
<b>Period ended 31 December 2020</b>									
At 1 July 2020	60,788,981	-	8,055,560	557,021	8,019,821	(8,019,821)	(32,560,154)	-	36,841,408
Exchange translation differences	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares via private placement	-	-	-	-	-	-	-	-	-
Issuance of ordinary shares via ESOS	964,734	-	-	(557,021)	-	-	-	-	407,713
Profit/(loss) for the period	-	-	-	-	-	(485,647)	-	-	(485,647)
Total comprehensive profit/(loss) for the period & transactions with owners	964,734	-	-	(557,021)	-	(485,647)	-	-	(77,934)
At 31 December 2020	61,753,715	-	8,055,560	-	8,019,821	(8,019,821)	(33,045,801)	-	36,763,474
<b>Period ended 30 June 2020</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	-	-	-	-	-	-	-	-	-
Realisation of reserve of disposal group classified as held for sale	-	-	-	-	-	-	(296,232)	-	(296,232)
Issuance of ordinary shares via private placement	1,235,952	-	-	-	-	-	-	-	1,235,952
Issuance of ordinary shares via ESOS	7,031,608	-	-	557,021	-	-	-	-	7,588,629
Adjustment to retained earnings	-	-	-	-	-	-	(30,188)	-	(30,188)
Loss for the period	-	-	-	-	-	(14,625,337)	-	-	(14,625,337)
Total comprehensive profit/(loss) for the period & transactions with owners	8,267,560	-	-	557,021	-	-	(14,655,525)	(296,232)	(6,127,176)
At 30 June 2020	60,788,981	-	8,055,560	557,021	8,019,821	(8,019,821)	(32,560,154)	-	36,841,408

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

	<b>CURRENT QUARTER 31/12/2020 RM</b>	<b>AUDITED AS AT 30/06/2020 RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	(485,647)	(13,106,951)
Adjustments for:		
Depreciation of fixed assets	417,768	1,830,008
Depreciation of right-of-use assets	19,402	-
Loss on disposal of investment in subsidiary	-	(63,084)
Adjustment for loss for the first quarter of FY2020 upon disposal of subsidiary	-	(174,431)
Equity-settled share-based payment expenses	-	3,949,725
Loss/(Gain) on disposal of property, plant and equipment	(69,405)	(270,718)
Allowance for expected credit losses on:-		
Other receivables	-	3,500,000
Finance lease interest	1,069	-
Interest expense	1,968	88,651
Interest income	(32)	(173)
Operating (loss)/profit before working capital changes	(114,877)	(4,246,973)
(Increase)/decrease in inventories	(24,555)	230,397
(Increase)/decrease in receivables	1,213,827	(2,227,173)
Increase/(decrease) in payables	2,313,063	(1,034,899)
	3,387,458	(7,278,648)
Cash used in operations		
Income taxes paid	(13,686)	(57,298)
Income taxes refunded	-	111,532
Net cash used in operating activities	3,373,772	(7,224,414)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(11,780)	(1,564,966)
Interest received	32	173
Proceeds from disposal of investment in subsidiary	-	3,463,084
Other investments	(3,650,000)	-
Proceeds from disposal of PPE	69,405	630,300
Net cash used in investing activities	(3,592,343)	2,528,591
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances from/(repayment to) directors	(225,292)	5,858
Finance lease interest paid	(1,069)	-
Interest paid	(1,968)	(88,651)
Proceeds from private placement/ESOS	407,713	4,874,856
Hire purchase loan received	-	70,000
Fixed deposit withdrawal	-	5,351,861
Repayment of term loans	-	(583,298)
Repayment of finance lease liability	(19,331)	-
Repayment of hire purchase obligations	(7,943)	(147,557)
Net cash generated/(used) in financing activities	152,110	9,483,069
Net increase/(decrease) in cash and cash equivalents	(66,461)	4,787,246
Cash and cash equivalents brought forward	402,752	(4,384,494)
Cash and cash equivalents carried forward	336,291	402,752
<u>Cash and cash equivalents comprise:</u>		
Cash and bank balances	336,291	402,752
Fixed deposits with licensed banks	260,000	260,000
	596,291	662,752
Less: Pledged deposits	(260,000)	(260,000)
Cash and cash equivalents	336,291	402,752

**MQ TECHNOLOGY BERHAD**  
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE PERIOD ENDED 31 DECEMBER 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 30 June 2020. Certain comparatives figures were restated to conform with the disclosure reporting period.

**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 6,240,500 shares issued under ESOS 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.

	<b>SEGMENT REVENUE</b>			
	<b>INDIVIDUAL QUARTER</b>	<b>CUMULATIVE QUARTER</b>	<b>CURRENT</b>	<b>PRECEDING YEAR</b>
	<b>Current year quarter</b>	<b>Preceding year corresponding quarter</b>	<b>YEAR TO DATE</b>	<b>CORRESPONDING PERIOD</b>
	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Malaysia	209,661	201,206	344,654	279,554
Thailand	1,371,787	1,477,905	2,016,391	3,433,192
United States of America	686,088	109,335	787,094	43,600
Singapore	22,259	-	435,855	-
Other Asia Pacific countries	-	25,024	-	34,221
	<b>2,289,795</b>	<b>1,813,470</b>	<b>3,583,994</b>	<b>3,790,568</b>
	-	-	-	-
	<b>SEGMENT ASSETS</b>		<b>CAPITAL EXPENDITURE</b>	
	<b>31/12/2020</b>	<b>31/12/2019</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Malaysia	46,028,320	47,640,348	11,780	227,411
Thailand	-	-	-	-
	<b>46,028,320</b>	<b>47,640,348</b>	<b>11,780</b>	<b>227,411</b>
	-	-	-	-

**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 December 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 December 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 DECEMBER 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 RM2.29 million, representing an increase of RM0.476 million (or 26%) from RM1.813 million of the preceding year corresponding quarter. The increase of revenue is mainly due to surge of demand from the customers.

The Group recorded profit before tax of RM0.048 million for the quarter under review as compared to loss before tax of RM3.937 million in the preceding year corresponding quarter (Q4-2020). The huge increase in profit before tax of approximately RM3.985 million as compared to the corresponding quarter in preceding year was mainly due to cost cutting initiative in this quarter and the occurrence of ESOS expenses and huge outsource works to contractors in corresponding quarter of preceding year.

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

During the quarter under review, sales increased by RM0.996 million (Revenue, Q2-2021: RM2.290 million - Q1-2021: RM1.294 million) compared to preceding quarter. The increase of sales was mainly due to increase in demand of goods and services from our customers and the efficiency of our sales team.

The Group recorded profit before tax of RM0.048 million for the quarter under review as compared to loss before tax of RM0.534 million in the immediate preceding quarter (Q1-2021). The increase in profit before tax of RM0.582 million was mainly due to increase in revenue by 77% as compared with previous quarter.

**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 Q3 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 2021.

**B5 Taxation**

INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
31/12/2020	31/12/2019	31/12/2020	31/12/2019
RM	RM	RM	RM

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

-	-	-	-
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**B6 Sale of unquoted investments and/or properties**

There was no sale of unquoted investments or properties during the period under review.

**B7 Purchase or Sale of quoted securities**

There was no purchase or sale of quoted securities during the period under review.

**B8 Status of Corporate Proposals**

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

Purpose	Proposed Utilisation	Actual Utilisation as at 31 Dec 2020	Valuation for utilisation of proceeds as at 31 Dec 2020	Balance to be utilised as at 31 Dec 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	-	-
<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 DECEMBER 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 C PSPB 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 C PSPB 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.

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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 Latex. The terms of acquisition have yet to be finalised.

On 15/07/2020. The Board of Directors of MQ Tech is pleased to announce that Microlead Manufacturing Sendirian Berhad (Company No. 1287460-D), the wholly-owned subsidiary of the Company had on 15 July 2020 entered into Investment and Collaboration Joint Venture Agreement with JD Resources International Limited (Company No. 2591014).

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	-	-
Total	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.

On 17/07/2020. The Board of Directors' of MQ Tech wishes to announce that: (i) SASB and CSSB had mutually agreed to further extend the SSA Cut-Off Date from 19 July 2020 to 19 January 2021 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 19 July 2020 to 19 January 2021 for the parties to obtain, fulfil or waive the conditions precedent pursuant to the SPA.

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On 14/08/2020. The Board of Directors of MQ Tech wishes to announce that, MQ Tech and JD had mutually agreed to extend the cut off date for a period of one (1) month from 15 August 2020 to 15 September 2020:- (i) for the Parties to finalise the definitive terms and conditions pursuant to the Agreement; and (ii) to allow a longer timeframe for the potential seller to revert on its interest or otherwise.

On 02/09/2020. The Board of Directors of MQ Tech is pleased to announce that the Company had on 2 September 2020 entered into a Memorandum of Agreement with the vendors of Kibaru Manufacturing Sdn Bhd to acquire 70% equity interest in Kibaru.

On 15/09/2020. The Board of Directors of MQ Tech wishes to announce that, MQ Tech and JD had mutually agreed to extend the cut off date for a period of one (1) month from 16 August 2020 to 15 October 2020:- (i) for the Parties to finalise the definitive terms and conditions pursuant to the Agreement; and (ii) to allow a longer timeframe for the potential seller to revert on its interest or otherwise.

On 17/09/2020. The Board of Directors of MQ Tech wishes to announce that, MQ Tech and JD had mutually agreed to extend the cut off date for a period of one (1) month from 6 September 2020 to 15 October 2020:- (i) for the Parties to finalise the definitive terms and conditions pursuant to the Agreement; and (ii) to allow a longer timeframe for the potential seller to revert on its interest or otherwise.

On 18/09/2020. The Board of Directors wishes to inform that at all material times, the MQ Board's discussion was focused on the acquisition of 70% stake in Kibaru, a private limited company based in Penang principally involved in manufacturing of rubber components. The Board was not aware that Kibaru is in talks with a Chinese pharmaceutical company potentially supplying of Covid-19 vaccine.

On 15/10/2020. The Board of Directors of MQ Tech wishes to announce that, MQ Tech and JD had mutually agreed to extend the cut off date for a period of one (1) month from 16 October 2020 to 15 November 2020:- (i) for the Parties to finalise the definitive terms and conditions pursuant to the Agreement; and (ii) to allow a longer timeframe for the potential seller to revert on its interest or otherwise.

On 16/10/2020. The Board of Directors of MQ Tech is pleased to announce that MQ Tech had on 16 October 2020 entered into a Memorandum of Agreement with Lee Khoon Eng and Saw Yee Nong with intention to acquire 51% equity interest in Oriental Link Properties (M) Sdn Bhd.

On 13/11/2020. The Board of Directors of MQ Tech wishes to announce that, MQ Tech and JD had mutually agreed to extend the cut off date for a period of one (1) month from 16 November 2020 to 15 December 2020:- (i) for the Parties to finalise the definitive terms and conditions pursuant to the Agreement; and (ii) to allow a longer timeframe for the potential seller to revert on its interest or otherwise.

On 15/12/2020. The Board of Directors of MQ Tech wishes to announce that MQ Tech and JD Resources had mutually agreed to terminate the Agreement dated 15 July 2020 due to the Parties are unable to obtain the consent from the potential seller.

On 26/01/2021. The Board wishes to announce that the Company had on 25 January 2021 appointed Messrs Russell Bedford LC & Company who have given their consent to act, as the Auditors of the Company for the financial year ending 30 June 2021.

On 25/02/2021. The Board of Directors of MQ Tech wishes to announce that:- (i) SASB and CSSB had mutually agreed to further extend the SSA Cut-Off Date from 20 January 2021 to 19 July 2021 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 January 2021 to 19 July 2021 for the parties to obtain, fulfil or waive the conditions precedent pursuant to the SPA.

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

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

	Current Year Quarter 31/12/2020					
	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	-	-	-	56,919	-	56,919
Term Loan	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-
Sub total	-	-	-	56,919	-	56,919
	Preceding Year Quarter 31/12/2019					
	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	-	-	-	13,334	-	13,334
Term Loan	-	-	-	-	-	-
Overdraft	-	-	-	-	-	-
Sub total	-	-	-	13,334	-	13,334

	Current Year Quarter 31/12/2020	Preceding Year Quarter 31/12/2019
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%

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**B10 Realised and Unrealised Profit or Losses**

	As at 31/12/2020	As at 30/06/2020
Total retained profits of the Company and its subsidiaries:-		
- Realised gain / (loss)	(52,241,289)	(51,755,642)
- Unrealised gain / (loss)	-	-
	(52,241,289)	(51,755,642)
Less: Consolidation adjustments and eliminations	19,195,488	19,195,488
Total Accumulated losses as per statement of financial position	<u>(33,045,801)</u>	<u>(32,560,154)</u>

**B11 Profit for the Period**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2020 RM	Preceding year corresponding quarter 31/12/2019 RM	Current year to date 31/12/2020 RM	Preceding year corresponding period 31/12/2019 RM
Profit for the period is arrived at after crediting:				
Interest income	16	23	32	39
Other income / (loss)	73,726	140,617	76,411	252,319
Gain/(loss) on disposal of property, plant and equipment	-	137,058	69,405	245,644
Unrealised Foreign exchange gain or (Loss)	-	-	-	-
and after charging:				
Finance lease interest paid	(428)	-	(1,069)	-
Interest expense	(948)	(491)	(1,968)	(1,878)
Depreciation	(216,074)	(296,929)	(437,170)	(659,540)

**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 31/12/2020	Preceding year corresponding quarter 31/12/2019	Current year to date 31/12/2020	Preceding year corresponding period 31/12/2019
Profit/(loss) after tax attributable to shareholders (RM)	48,321	(3,937,386)	(485,647)	(4,547,050)
Weighted average number of ordinary shares in issue	730,529,984	642,283,365	727,164,140	642,283,365
Loss per share - (Sen)				
Basic	0.01	(0.61)	(0.07)	(0.71)
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 period ended 30 June 2020 in their report dated 30 October 2020.

The 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) The prepayment to Vivo Tower Holdings Ltd for a marketing agreement related to business of casino activities was not able to confirm parties involved due to inconsistency of documentary information.
- (c) The Company embarked to invest in the theme park business upon signing of subscription and shareholders agreement and incurred a total of RM 19.2 million as deposit in relation to the theme park business. Due to current economic and political situations, the company is reassessing the viability of the theme park business.
- (d) The wholly owned subsidiary, Microlead Precision Technology Sdn Bhd (MPT) did not prepare impairment test when MPT's net current liabilities was RM 17.3 million.

**B17 Authorise for issue**

The interim financial statements were authorised for issue by the Board of Directors on 4 March 2021.

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**B18 Other income**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current year quarter 31/12/2020 RM	Preceding year corresponding quarter 31/12/2019 RM	Current year period 31/12/2020 RM	Preceding year corresponding period 31/12/2019 RM
Other income	73,742	140,640	76,443	252,358
<b>MQ</b>				
Unrealised gain on forex	-	-	-	-
Gain on disposal of investment in subsidiary	-	-	-	-
<b>MPT</b>				
Interest received	16	23	32	39
Scrap sales	4,321	3,558	7,006	6,675
Vending machine rental received	-	-	-	-
Unrealised gain on forex	-	-	-	-
Gain on disposal of fixed assets	69,405	137,059	69,405	245,644
<b>MPTS</b>				
Interest Income	-	-	-	-
Gain on Sale of asset	-	-	-	-
Sale Scrap	-	-	-	-
Other Income	-	-	-	-
<b>SA</b>				
Recovery of payroll payments made in FY2018	-	-	-	-
Interest Income	-	-	-	-

**B19 Foreign Exchange Exposure**

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

- 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 31.12.2020**

Credit term	5 Mths+	4 Mths	3 Mths	2 Mths	1 Mth	Current
COD	-	-	-	-	-	3,900
30	(3,038)	-	-	-	5,654	2,421
45	(4,490)	-	-	-	-	-
50	-	-	-	8,525	310,303	424,588
60	12,656	-	20,831	268,930	243,133	133,651
90	-	-	-	16,703	48,364	56,825
	5,128	-	20,831	294,158	607,454	621,385
Accumulated Impairment loss on trade receivable	-	-	-	-	-	(8,152)
Unrealised gain/(loss) foreign exchange	-	-	-	-	-	(8,046)
	5,128	-	20,831	294,158	607,454	605,187

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

There were no related party transactions incurred during the quarter.