

INGENUITY CONSOLIDATED BERHAD

(Company No: 609423-V)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	UNAUDITED AS AT 30/6/2014 RM'000	AUDITED AS AT 31/03/2014 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	34,436	31,897
Intangible assets	2,282	2,536
Goodwill on consolidation	9,781	9,781
	<u>46,499</u>	<u>44,214</u>
CURRENT ASSETS		
Inventories	28,848	25,113
Trade receivables	54,734	64,188
Other receivables	17,463	15,961
Fixed deposits with licensed bank	1,069	1,069
Cash and bank balances	5,989	13,847
	<u>108,103</u>	<u>120,178</u>
TOTAL ASSETS	<u>154,602</u>	<u>164,392</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	85,380	85,380
Reserves	10,456	12,890
	<u>95,836</u>	<u>98,270</u>
Non-Controlling Interest	(144)	(132)
TOTAL EQUITY	<u>95,692</u>	<u>98,138</u>
NON CURRENT LIABILITIES		
Deferred taxation	764	764
Borrowings	6,834	5,498
	<u>7,598</u>	<u>6,262</u>
CURRENT LIABILITIES		
Trade payables	38,496	46,448
Other payables	2,366	5,658
Borrowings	10,343	7,846
Tax payable	107	40
	<u>51,312</u>	<u>59,992</u>
TOTAL LIABILITIES	<u>58,910</u>	<u>66,254</u>
TOTAL EQUITY AND LIABILITIES	<u>154,602</u>	<u>164,392</u>
Net Assets per share attributable to Owners of the Parent (sen)	<u>11.22</u>	<u>11.51</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and accompanying explanatory notes to this interim financial statements.

INGENUITY CONSOLIDATED BERHAD

(Company No: 609423-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 30 JUNE 2014

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/6/2013 RM'000	CURRENT YEAR TO DATE ENDED 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/6/2013 RM'000
Revenue	93,583	150,582	93,583	150,582
Cost of Sales	<u>(90,710)</u>	<u>(146,404)</u>	<u>(90,710)</u>	<u>(146,404)</u>
Gross profit	2,873	4,178	2,873	4,178
Other operating income	192	311	192	311
Gain/ (loss) on foreign exchange	198	25	198	25
Depreciation	(515)	(449)	(515)	(449)
(Allowance)/ write back of allowance and (write off) for impaired receivables	-	(31)	-	(31)
(Allowance)/ write back of allowance and (write off) for impaired inventories	(2)	-	(2)	-
Finance costs	(548)	(130)	(548)	(130)
Other operating expenses	<u>(4,673)</u>	<u>(4,191)</u>	<u>(4,673)</u>	<u>(4,191)</u>
Results from operating activities before interest income and ESOS expenses	(2,475)	(287)	(2,475)	(287)
Interest income	32	33	32	33
ESOS expenses	-	(2,000)	-	(2,000)
Loss before taxation	(2,443)	(2,254)	(2,443)	(2,254)
Taxation	-	(398)	-	(398)
Loss after taxation for the period	(2,443)	(2,652)	(2,443)	(2,652)
Loss attributable to:				
Owners of the parent	(2,441)	(2,628)	(2,441)	(2,628)
Non-Controlling Interest	(2)	(24)	(2)	(24)
	<u>(2,443)</u>	<u>(2,652)</u>	<u>(2,443)</u>	<u>(2,652)</u>
Basic loss per share (sen)	<u>(0.29)</u>	<u>(0.38)</u>	<u>(0.29)</u>	<u>(0.38)</u>
Diluted loss per share (sen)	<u>N/A</u>	<u>(0.37)</u>	<u>N/A</u>	<u>(0.37)</u>

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(Company No: 609423-V)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/6/2013 RM'000	CURRENT YEAR TO DATE ENDED 30/6/2014 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/6/2013 RM'000
Loss after taxation for the period	(2,443)	(2,652)	(2,443)	(2,652)
Other comprehensive loss for the period, net of tax				
Currency translation difference	(3)	-	(3)	-
Total other comprehensive loss, net of tax	<u>(3)</u>	<u>-</u>	<u>(3)</u>	<u>-</u>
Total comprehensive loss for the period, net of tax	<u><u>(2,446)</u></u>	<u><u>(2,652)</u></u>	<u><u>(2,446)</u></u>	<u><u>(2,652)</u></u>
Total comprehensive loss attributable to :				
Owners of the parent	(2,444)	(2,628)	(2,444)	(2,628)
Non-Controlling Interest	(2)	(24)	(2)	(24)
	<u><u>(2,446)</u></u>	<u><u>(2,652)</u></u>	<u><u>(2,446)</u></u>	<u><u>(2,652)</u></u>

Note : ESOS - Employee Share Options Scheme ; N/A - Not Applicable

Included in cost of sales, an amortisation of development cost of RM 0.25 million for Q1-2014/15 (RM 0.36 million - Q1-2013/14) and current year to-date of RM 0.25 million and preceding correspondence year to-date of RM 0.36 million respectively.

During the quarter and Year-To-Date under review, there is no gain/(loss) on disposal of quoted or unquoted investments or properties, impairment of assets and gain/(loss) on derivatives.

The Condensed Consolidated Statement of Profit And Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and accompanying explanatory notes to this interim financial statements.

INGENUITY CONSOLIDATED BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 30 JUNE 2014

Attributable to Equity Holders of the Company

----- Non-distributable -----

	Share capital RM'000	Share premium RM'000	Merger deficit RM'000	Warrants reserve RM'000	Employee Share Option reserve RM'000	Exchange Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-Controlling interests RM'000	Total equity RM'000
As at 1 April 2014	85,380	16,539	(7,900)	6,563	-	2	7,353	(9,667)	98,270	(132)	98,138
<u>Transactions with owners :</u>											
Change in interest in subsidiary company	-	-	-	-	-	-	-	10	10	(10)	-
Total transactions with owners	-	-	-	-	-	-	-	10	10	(10)	-
Total comprehensive loss for the period	-	-	-	-	-	(3)	-	(2,441)	(2,444)	(2)	(2,446)
As at 30 June 2014	85,380	16,539	(7,900)	6,563	-	(1)	7,353	(12,098)	95,836	(144)	95,692
Balance as at 1 April 2013	57,985	12,153	(7,900)	6,563	-	-	-	(11,379)	57,422	(184)	57,238
<u>Transactions with owners :</u>											
Issuance of shares arising from private placement	17,395	440	-	-	-	-	-	-	17,835	-	17,835
Corporate exercise expenses relating to private placement	-	(54)	-	-	-	-	-	-	(54)	-	(54)
Employees' Share Option Scheme - Granted	-	-	-	-	2,000	-	-	-	2,000	-	2,000
Total transactions with owners	17,395	386	-	-	2,000	-	-	-	19,781	-	19,781
Total comprehensive loss for the period	-	-	-	-	-	-	-	(2,628)	(2,628)	(24)	(2,652)
As at 30 June 2013	75,380	12,539	(7,900)	6,563	-	-	-	(14,007)	74,575	(208)	74,367

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and accompanying explanatory notes to this interim financial statements.

INGENUITY CONSOLIDATED BERHAD
 (Company No: 609423-V)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

	CURRENT YEAR TO DATE ENDED 30/6/2014 RM'000	PRECEDING YEAR TO DATE ENDED 30/6/2013 RM'000
Cash Flows From Operating Activities		
Loss before tax	(2,443)	(2,254)
Adjustments for :		
Non-cash items	771	2,806
Non-operating items	516	97
Operating (loss) /profit before working capital changes	<u>(1,156)</u>	<u>649</u>
Changes in working capital		
Inventories	(3,736)	(1,698)
Receivables	8,127	(1,437)
Payables	(11,152)	(7,986)
Cash used in operations	<u>(7,917)</u>	<u>(10,472)</u>
Tax paid	(108)	(335)
Interest received	32	33
Interest paid	(548)	(130)
Net cash used in operating activities	<u>(8,541)</u>	<u>(10,904)</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3,055)	(627)
Proceeds from disposal of property, plant and equipment	-	2
Net cash used in investing activities	<u>(3,055)</u>	<u>(625)</u>
Cash Flows Financing Activity		
Proceeds from issuance of shares	-	17,835
Share issuance expenses	-	(54)
procced from invesment by non-controlling interest	0*	-
Repayment of hire purchase creditors	(3)	(11)
Net drawdown /(repayment) of borrowings	3,744	(109)
Net cash from financing activity	<u>3,741</u>	<u>17,661</u>
Net (decrease)/ increase in cash and cash equivalents	(7,855)	6,132
Effect of forex translation differences	(3)	-
Cash And Cash Equivalent At Beginning of Period	14,847	6,131
Cash And Cash Equivalent At End of Period	<u>6,989</u>	<u>12,263</u>
Cash and Cash Equivalents Comprise of :		
Cash and bank balances	5,989	11,263
Fixed deposits with a licensed bank	1,069	1,067
	<u>7,058</u>	<u>12,330</u>
Fixed deposits pledged with licensed bank	(69)	(67)
	<u>6,989</u>	<u>12,263</u>

* - Amount less than RM1,000.00

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2014 and accompanying explanatory notes to this interim financial statements.

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN REPORTING STANDARD 134 ("MFRS 134") - INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements is unaudited and has been prepared in accordance with MFRS 134 : Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Paragraph 9.22 of Listing Requirements of Bursa Malaysia Securities Berhad. and should be read in conjunction with the annual audited financial statement of the Group for the financial year ended 31 March 2014.

The accounting policies and methods adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2014.

The Group has adopted the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on and after 1 April 2014. The adoption of these new and revised MFRSs and IC Interpretations are not expected to have any material financial impacts to the financial statements of the Group.

A2 Auditors' Report of Preceding Annual Financial Statements

There were no qualifications to the audited financial statements for the Company and its subsidiaries for the financial year ended 31 March 2014.

A3 Seasonal or cyclical factors

The Group is subjected to the cyclical effects of the global and Malaysia technology industry.

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

During the quarter under review, there were no items or events that arose, which affect the assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A5 Changes in estimates

There were no significant changes in the estimates of amounts reported which have a material effect in the current quarter results under review.

A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A7 Dividend

There was no dividend paid during the quarter under review.

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

A8 Segmental Information

Segment information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:-

- | | |
|----------------------------------|--|
| (i) ICT Distribution | Distribution of volume ICT products to resellers and retailers |
| (ii) Business software solutions | Enterprise and Hotel Management solutions |

Segmental information for the Group is presented as follows:

<u>For the financial period</u> <u>ended 30 June 2014</u>	ICT Distribution RM'000	Business Software Solutions RM'000	Other non-reportable segment RM'000	Total RM'000	Elimination RM'000	Total RM'000
Sales to external customer	93,162	421	-	93,583	-	93,583
Inter-segment sales	21	33	-	54	(54)	-
Total sales	93,183	454	-	93,637	(54)	93,583
Loss before tax	(1,535)	(588)	(320)	(2,443)	-	(2,443)

<u>For financial period</u> <u>ended 30 June 2013</u>	ICT Distribution RM'000	Business Software Solutions RM'000	Other non-reportable segment RM'000	Total RM'000	Elimination RM'000	Total RM'000
Sales to external customer	149,478	1,104	-	150,582	-	150,582
Inter-segment sales	-	-	-	-	-	-
Total sales	149,478	1,104	-	150,582	-	150,582
Loss before tax	(1,038)	(768)	(448)	(2,254)	-	(2,254)

A9 Valuation of property, plant and equipment

There were no valuation of the property, plant and equipment in the current period under review.

A10 Events subsequent to the end of the interim reporting period

- (i) On 4 July 2014, Ingenuity Consolidated Berhad ("Ingenuity") had increased its investment in the capital of Uptown Excel Sdn Bhd ("UESB") from 2 ordinary shares of RM1.00 each (represented 100% equity participation in UESB) to 51 ordinary shares of RM1.00 each (representing 51% equity participation in UESB) by way of cash subscription of 49 ordinary shares of RM1.00 each at par in the capital of UESB , thereby UESB has become a 51% owned subsidiary of Ingenuity instead of a wholly owned subsidiary previously.

The remaining 49% equity participation in UESB is held by a Chinese citizen namely, Mr.Qiu Tao.

- (ii) On 30 July 2014, the Company has made an offer of 50,000,000 new share options pursuant to the Employees' Share Option Scheme ("ESOS") at an exercise price of RM 0.10 per new ordinary shares to eligible persons. The share options had been fully exercised and the new shares was listed on Bursa Securities on 8 August 2014.
- (iii) On 14 August 2014, the Company has made an offer of 30,000,000 new share options pursuant to the Employees' Share Option Scheme ("ESOS") at an exercise price of RM 0.10 per new ordinary shares to eligible persons.

A11 Changes in the composition of the Group

On 2 April 2014, Ingens Sdn. Bhd. ("Ingens"), a wholly owned subsidiary of Vistavision Resources Sdn Bhd ("VVR"), which in turn wholly owned by Ingenuity has incorporated a wholly owned subsidiary , namely Ingens International Pte Ltd ("Ingens International") under the BVI Business Companies Act 2004 in British Virgin Islands.

The total issued and paid up share capital of Ingens International is USD 50,000.00 comprising 50,000 ordinary shares of USD 1.00 each.

Ingens International is trading in IT and tele-communication devices.

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

A12 Contingent Liabilities

Legal claim

As at 21 August 2014 (being the latest practical date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group save for the below:

- (a) On 6 March 2014, a third party had filed a Writ and Statement of Claim against the Company and Ingens Sdn.Bhd. ("ISB"), a wholly-owned subsidiary of Vistavision Resources Sdn.Bhd. which in turn is a wholly-owned subsidiary company of the company for RM 3,775,112 for alleged good sold to ISB but not paid.

On the same day, ISB had sought for substantiate documents for the different sum which the third party failed to produce and yet when ISB issued payment for the actual outstanding amount of RM2,495,410 according to ISB's records, the third party refused acceptance of such payment and choose instead to institute a legal action.

The Company has filed a statement of defense against the claims and the quantum of damages that the Group will be seeking against third party is expected to be RM10,440,470.

The case management is fixed on 5 September 2014.

In addition, the court has also fixed 10 September 2014 for the case management on the application to amend the Statement of Defense and Counter Claim.

- (b) The amounts of contingent liabilities as at the end of the current financial period as follows:

	As at 30/6/2014 RM'000
Bank guarantee - secured over fixed deposits	69
Corporate guarantees to suppliers for trade credit facilities granted to subsidiary company	105,158
Corporate guarantees to financial institution for term loan and other banking facilities granted to subsidiary company	20,060
	<u>125,287</u>

A 13 Significant Related Party Transactions

The significant related party transactions with companies in which a Director and major shareholder has interest are as follows:

	Current Year- To- Date ended 30/6/2014 RM'000
(i) Supplies of desktops / laptops hardware & other peripherals	24,867
(ii) Supplies of telecommunication devices & other peripherals	1,676
(iii) Provision of warehouse services	-
	<u>27,422</u>
(i) Purchase of IT notebooks, computers and computer accessories	-
(ii) Purchase of telecommunication products & other peripherals	300
(iii) Rental expenses	-

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE ACE MARKET

B1 Review of performance of the Company and its principal subsidiaries

The Group revenue for the financial period ended 30 June 2014 was RM 93.58 million represents a decrease of RM 57.0 million as compared to RM 150.58 million in the corresponding financial period in year 2013. The decrease in revenue for the current financial period was mainly due to lower revenue from ICT distribution businesses of RM 93.16 million as compared to RM 149.48 million in corresponding financial period in year 2013.

The Group registered a pre-tax loss of RM 2.44 million for the financial period ended 30 June 2014 as compared to pre-tax loss of RM 2.25 million of the corresponding financial period in 2013. The pre-tax loss for the period was mainly due to the ICT distribution reported a higher pre-tax loss of RM 1.54 million as compared to pre-tax loss of RM 1.04 million. in the corresponding financial period in 2013.

(i) ICT Distribution

ICT distribution revenue for financial period ended 30 June 2014 was RM 93.16 million. The revenue was mainly derived from the distribution segment which includes IT hardware ranging from laptops, desktops, telecommunications products to other ICT accessories. For the financial period ended 30 June 2014, ICT Distribution registered a pre-tax loss of RM1.54 million as compared to pre-tax loss of RM 1.04 million in the corresponding period in 2013 .

(ii) Business Software Solutions

Business software solutions revenue for the financial period ended 30 June 2014 was RM 0.42 million as compared to RM 1.10 million in the corresponding period in year 2013. Business software solutions recorded a pre-tax loss of RM 0.59 million as compared to pre-tax loss of RM 0.77 million in the corresponding period in year 2013.

B2 Material change in the quarterly results compared to the results of the immediate preceding quarter

The current quarter (Q1 -2014/15) revenue was RM 93.58 million represents a decrease of RM 39.42 million as compared to immediate preceding quarter (Quarter 4 -2013/14) revenue of RM 133.0 million. Current quarter recorded a pre-tax loss of RM 2.44 million as compared to a pre-tax profit of RM 2.38 million for the immediate preceding quarter. The pre-tax loss for the current quarter under review was mainly due competitive ICT distribution business environment and lower rebates received from suppliers as compared to immediate preceding quarter.

B3 Prospects

The Group is continuing to improve existing businesses whilst explore new revenue streams. The Board is mindful of challenges facing by the Group and is working diligently to improve its performance.

B4 Profit Forecast/Profit Guarantee

There were no profit forecast or profit guarantee issued by the Group.

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

B5 Taxation

	Current Quarter Ended 30/6/2014 RM'000	Current Year-To- Date Ended 30/6/2014 RM'000
Income tax :		
- Current year	-	-
-Deferred tax	-	-
	-	-

There is no provision for taxation for the current quarter and current year- to-date as the companies in the Group have incurred losses.

B6 Corporate proposals

Status of the corporate proposal announced but not completed as at 21 August 2014 (being the latest practical date which is not later than 7 days from the date of issue of this Quarterly Report).

On 23 July 2014, TA Securities Holdings Berhad ("TA Securities") on behalf of the Board of Directors ("Board") announced that Ingenuity Consolidated Berhad ("Ingenuity") proposes to undertake the proposed private placement of new ordinary shares of RM0.10 each in ICB representing not more than 10% of the issued and paid up share capital of Ingenuity (excluding treasury shares, if any) ("proposed Private Placement").

On 24 July 2014, TA Securities had, on behalf of the Board announced that Ingenuity have submitted an application to Bursa Malaysia Securities ("Bursa Securities") for the listing and quotation for the Placement Shares on the ACE Market of Bursa Securities.

On 7 August 2014, TA Securities on behalf of the Board announced that Bursa Securities had, vide its letter dated 7 August 2014, approved the listing of and quotation for up 119,953,000 new Ingenuity Shares (excluding treasury shares), to be issued pursuant to the Proposed Private Placement subject to the following conditions:

Conditions imposed	Status of compliance
(a) Ingenuity and TA Security must fully comply with the relevant provisions under the Bursa Securities ACE Market Listing Requirements ("LR") pertaining to the implementation of the Proposed Private Placement;	To be complied
(b) Ingenuity and TA Securities to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied
(c) Ingenuity 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;	To be complied
(d) TA Securities to furnish Bursa Securities with details of the placees as per Rule 6.16 of the LR for Bursa Securities' clearance, prior to the issuance/ allotment of shares to the placees, together with a confirmation that the placees do not fall within any of the category of persons specified in Rule 6.05(c) of the LR.	To be complied
(e) A certified true copy of the resolution passed by the shareholders at the coming Eleventh Annual General Meeting pursuant to Section 132D of the Company Act, 1965.	To be complied

Ingenuity is required to ensure full compliance of all requirements as provided under LR at all times.

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

B7 Off balance sheet financial instruments

There were no financial instruments with off balance sheet risk as at the date of this report.

B8 Borrowing and debts Securities

The Group's borrowings as at 30 June 2014 are as follows :-

	As at 30/6/2014 RM'000
Non Current	
- Hire purchase creditors	116
- Term loan	6,718
	<u>6,834</u>
Current	
- Banker's acceptances and term loan	10,300
- Hire purchase creditors	43
	<u>10,343</u>
Total Borrowings	<u><u>17,177</u></u>

B9 Material litigations

The material litigation faced by the Group is disclosed in A12 (a).

Save for the above, the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceeding pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

B10 Dividends

No interim dividend has been declared during the quarter under review.

B11 Loss Per Share

(i) Basic Loss Per Share

	Current Year Quarter Ended 30/6/2014	Current Year To- Date Ended 30/6/2014
Loss attributable to Owners of the Parent (RM'000)	(2,441)	(2,441)
Weighted average number of shares in issue	853,799	853,799
Basic loss per share (sen)	<u>(0.29)</u>	<u>(0.29)</u>

(ii) Diluted Loss Per Share

The diluted loss per share for the current quarter and current year to date was not presented as the effect from the assumed conversion of the warrants and employees' share options would be anti-dilutive.

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NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2014

B12 Disclosure of Realised And Unrealised Losses

	As at 30/6/2014 RM'000	As at 31/3/2014 RM'000
Total accumulated losses of the Group :		
- Realised	(13,963)	(11,520)
-Unrealised	(764)	(764)
	<u>(14,727)</u>	<u>(12,284)</u>
Consolidated adjustments	2,629	2,617
	<u>(12,098)</u>	<u>(9,667)</u>

By Order of the Board

Lim Boon Hong

Executive Director