

MMAG HOLDINGS BERHAD
 (formerly known as Ingenuity Consolidated Berhad)
 (Company No: 609423-V)
 (Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	UNAUDITED AS AT 31/12/2015 RM'000	AUDITED AS AT 31/03/2015 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	34,419	28,543
Intangible assets	11,299	11,153
Goodwill on consolidation	9,781	9,781
	55,499	49,477
CURRENT ASSETS		
Inventories	23,131	13,388
Trade receivables	53,350	64,997
Other receivables	9,905	5,815
Deposits with licensed banks	2,000	1,000
Cash and bank balances	4,725	17,207
	93,111	102,407
TOTAL ASSETS	148,610	151,884
EQUITY AND LIABILITIES		
EQUITY		
Share capital	95,380	95,380
Reserves	(19,991)	(8,691)
	75,389	86,689
Non-Controlling Interest	33	61
TOTAL EQUITY	75,422	86,750
NON CURRENT LIABILITIES		
Deferred taxation	387	387
Borrowings	8,398	7,079
	8,785	7,466
CURRENT LIABILITIES		
Trade payables	51,973	37,870
Other payables	2,636	9,531
Borrowings	9,794	10,267
	64,403	57,668
TOTAL LIABILITIES	73,188	65,134
TOTAL EQUITY AND LIABILITIES	148,610	151,884
Net Assets per share attributable to Owners of the Parent (sen)	7.90	9.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 March 2015 and accompanying explanatory notes to this interim financial statements.

MMAG HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2014 RM'000	CURRENT YEAR TO DATE ENDED 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/12/2014 RM'000
Revenue	68,238	99,300	174,096	288,591
Cost of Sales	(66,271)	(95,518)	(167,760)	(285,650)
Gross profit	1,967	3,782	6,336	2,941
Other income	368	1,328	1,083	1,791
(Loss)/ gain on foreign exchange	(998)	4	(1,514)	440
Depreciation	(647)	(579)	(1,906)	(1,630)
(Allowance)/ write back of allowance and (write off) for impaired receivables	(35)	(23)	(57)	(72)
(Allowance)/ write back of allowance and (write off) for impaired inventories	-	-	(2)	(2)
Finance costs	(460)	(389)	(1,322)	(1,235)
Other expenses	(4,443)	(3,901)	(14,026)	(12,799)
Results from operating activities before interest income and ESOS expenses	(4,248)	222	(11,408)	(10,566)
Interest income	1	2	39	34
ESOS expenses	-	-	-	(2,900)
(Loss)/ profit before taxation	(4,247)	224	(11,369)	(13,432)
Taxation	-	29	-	29
(Loss)/ profit after taxation for the period	(4,247)	253	(11,369)	(13,403)
(Loss)/ profit attributable to:				
Owners of the parent	(4,286)	256	(11,341)	(13,377)
Non-Controlling Interest	39	(3)	(28)	(26)
	(4,247)	253	(11,369)	(13,403)
Basic (loss)/ earnings per share (sen)	(0.45)	0.03	(1.19)	(1.50)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

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FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2014 RM'000	CURRENT YEAR TO DATE ENDED 31/12/2015 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/12/2014 RM'000
(Loss)/ profit after taxation for the period	(4,247)	253	(11,369)	(13,403)
Other comprehensive (loss)/ income for the period, net of tax				
Currency translation difference	(8)	14	41	11
Total other comprehensive (loss)/ income, net of tax	(8)	14	41	11
Total comprehensive (loss)/ income for the period, net of tax	(4,255)	267	(11,328)	(13,392)
Total comprehensive (loss)/ income attributable to :				
Owners of the parent	(4,294)	270	(11,300)	(13,366)
Non-Controlling Interest	39	(3)	(28)	(26)
	(4,255)	267	(11,328)	(13,392)

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

Included in cost of sales, an amortisation of development cost of RM Nil for Q3-2015/16 (RM 0.25 million - Q3-2014/15) and current year to-date of RM Nil and preceding correspondence year to-date of RM 0.76 million respectively.

During the quarter and Year-To-Date under review, there is no gain/(loss) on disposal of quoted or unquoted investment 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 2015 and accompanying explanatory notes to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

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 2015	95,380	19,824	(7,900)	6,563	-	45	7,353	(34,576)	86,689	61	86,750
Net loss for the period	-	-	-	-	-	-	-	(11,341)	(11,341)	(28)	(11,369)
Foreign currency translation differences arising from a foreign subsidiary	-	-	-	-	-	41	-	-	41	-	41
Total comprehensive income / (loss) for the period	-	-	-	-	-	41	-	(11,341)	(11,300)	(28)	(11,328)
As at 31 December 2015	95,380	19,824	(7,900)	6,563	-	86	7,353	(45,917)	75,389	33	75,422
Balance as at 1 April 2014	85,380	16,539	(7,900)	6,563	-	2	7,353	(9,667)	98,270	(132)	98,138
Transactions with owners:											
Changes in interest in subsidiary company	-	-	-	-	-	-	-	(194)	(194)	194	-
Employees' Share Option Scheme	-	-	-	-	2,900	-	-	-	2,900	-	2,900
- Granted	-	-	-	-	(2,900)	-	-	-	(7,985)	-	(7,985)
- Exercised	8,000	2,885	-	-	-	-	-	-	-	-	10,885
Total transactions with owners	8,000	2,885	-	-	-	-	-	(194)	10,691	194	10,885
Net loss for the period	-	-	-	-	-	-	-	(13,377)	(13,377)	(26)	(13,403)
Foreign currency translation differences arising from a foreign subsidiary	-	-	-	-	-	11	-	-	11	-	11
Total comprehensive loss for the period	-	-	-	-	-	11	-	(13,377)	(13,366)	(26)	(13,392)
As at 31 December 2014	93,380	19,424	(7,900)	6,563	-	13	7,353	(23,238)	95,595	36	95,631

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 2015 and accompanying explanatory notes to this interim financial statements.

MMAG HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

	CURRENT YEAR TO DATE ENDED 31/12/2015 RM'000	PRECEDING YEAR TO DATE ENDED 31/12/2014 RM'000
Cash Flows From Operating Activities		
Loss before tax	(11,369)	(13,432)
Adjustments for :		
Non-cash items	1,863	5,376
Non-operating items	1,283	1,200
Operating loss before working capital changes	(8,223)	(6,856)
Changes in working capital		
Inventories	(9,746)	9,705
Receivables	7,992	(20,796)
Payables	9,294	7,967
Cash generated used in operations	(683)	(9,980)
Tax paid	(387)	(1,044)
Interest received	39	34
Interest paid	(1,322)	(1,235)
Net cash used in operating activities	(2,353)	(12,225)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(7,840)	(4,232)
Development costs	(146)	(285)
Discharged of fixed deposit pledged with licensed bank	-	69
Proceeds from disposal of property, plant and equipment	57	24
Net cash used in investing activities	(7,929)	(4,424)
Cash Flows Financing Activity		
Proceeds from issuance of shares arising from exercise of ESOS, net of share issuance expenses	-	7,985
Proceeds from investment by non-controlling interest	-	0 *
Repayment of hire purchase creditors	(300)	(42)
Net drawdown/ (repayment) of bankers' acceptance and term loans	(941)	3,473
Net cash (used in) / generated from financing activity	(1,241)	11,416
Net increase / (decrease) in cash and cash equivalents	(11,523)	(5,233)
Effect of forex translation differences	41	11
Cash And Cash Equivalent At Beginning of Period	18,207	14,847
Cash And Cash Equivalent At End of Period	6,725	9,625
Cash and Cash Equivalents Comprise of :		
Cash and bank balances	4,725	8,625
Deposits with a licensed bank	2,000	1,000
	6,725	9,625

Note : * - 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 2015 and accompanying explanatory notes to this interim financial statements.

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NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

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. The interim financial statements should be read in conjunction with the annual audited financial statement of the Group for the financial year ended 31 March 2015.

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 2015.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on and after 1 April 2015 are not expected to have any significant financial impacts on 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 2015.

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 material changes in the estimates of amounts reported in previous reporting which have a material effect in the current quarter.

A6 Debt and equity securities

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

A7 Dividend

There were no dividend paid during the quarter under review.

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NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

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 |
| (iii) Logistics services | Courier & Delivery Services |

Segmental information for the Group is presented as follows:

<u>For the financial period ended 31 December 2015</u>	ICT Distribution RM'000	Business Software Solutions RM'000	Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Elimination RM'000	Total RM'000
Sales to external customer	173,167	645	284	-	174,096	-	174,096
Inter-segment sales	-	289	-	-	289	(289)	-
Total sales	173,167	934	284	-	174,385	(289)	174,096
Loss before tax	(8,166)	(283)	(2,388)	(532)	(11,369)	-	(11,369)

<u>For the financial period ended 31 December 2014</u>	ICT Distribution RM'000	Business Software Solutions RM'000	Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Elimination RM'000	Total RM'000
Sales to external customer	287,312	1,279	-	-	288,591	-	288,591
Inter-segment sales	104	188	70	-	362	(362)	-
Total sales	287,416	1,467	70	-	288,953	(362)	288,591
Loss before tax	(10,877)	(1,342)	(220)	(993)	(13,432)	-	(13,432)

A9 Valuation of property, plant and equipment

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

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NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

A10 Events subsequent to the end of the interim reporting period

- (i) On 11 January 2016, the Board of Directors of Ingenuity Consolidated Berhad ('ICB') announced that the Company's wholly owned subsidiary, Hallmark Avenue Sdn Bhd ('HASB') has on 11 January 2016 filed an application for striking off pursuant of Section 308(1) of the Company Act, 1965 with the Companies Commission of Malaysia ('Striking off Application').

HASB has ceased its business operations since 1st April 2012 and has no intention to carry on its business or operation in the future. The authorised and paid-up capital of HASB are RM 100,000 and RM2.00 respectively. The Board of Directors of ICB is of the opinion that the Striking off Application is in the best interest of the Company as it will reduce the administrative resources and cost incurred for maintaining HASB.

The striking off HASB is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of ICB for the financial year ending 31 March 2016.

- (ii) On 11 January 2016, the Board of Directors of ICB announced that the Company's sub-subsidiary Austral Diversified Sdn Bhd ('ADSB') has on 11 January 2016 filed an application for striking off pursuant of Section 308(1) of the Company Act, 1965 with the Companies Commission of Malaysia ('Striking off Application').

ADSB has been dormant since its incorporation on 2nd March 2011 and has no intention to carry on its business or operation in the future. The authorised and paid-up capital of ADSB are RM 100,000 and RM2.00 respectively. The Board of Directors of ICB is of the opinion that the Striking off Application is in the best interest of the Company as it will reduce the administrative resources and cost incurred for maintaining ADSB.

The striking off ADSB is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders' shareholdings of ICB for the financial year ending 31 March 2016.

- (iii) On 28 January 2016, at the Extra General Meeting ('EGM'), the shareholders of Ingenuity Consolidated Berhad ('ICB') had approved the Proposed Change of Company Name from 'Ingenuity Consolidated Berhad' to 'MMAG Holdings Berhad' ('Proposed Change of Name').

The Company had on 3 February 2016, received the Certificate of Incorporation on Change of Name (Form 13) issued by the Companies Commission of Malaysia dated 29 January 2016 for the change of the Company's name from 'Ingenuity Consolidated Berhad' to 'MMAG HOLDINGS BERHAD' effective from 29 January 2016.

A11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12 Contingent Liabilities

The amounts of contingent liabilities of the Company as at the end of the current financial period as follows:

	As at 31/12/2015 RM000
Corporate guarantees to suppliers for trade credit facilities granted to subsidiary company	98,380
Corporate guarantees to financial institution for term loan and other banking facilities granted to subsidiary company	21,060
	119,440

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NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

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 31 December 2015 was RM 174.10 million represents a decrease of RM 114.49 million as compared to RM 288.59 million in the corresponding financial period in year 2014. The decrease in revenue for the current financial period was mainly due to lower revenue from ICT distribution businesses of RM 173.17 million as compared to RM 287.31 million in corresponding financial period in year 2014.

The Group registered a pre-tax loss of RM 11.37 million for the financial period ended 31 December 2015 as compared to pre-tax loss of RM 13.43 million in the corresponding financial period in year 2014. The higher pre-tax loss in the corresponding financial period in year 2014 was mainly due to the cost of options under ESOS of RM 2.90 million.

(i) ICT Distribution

ICT distribution revenue for financial period ended 31 December 2015 was RM 173.17 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 31 December 2015, ICT Distribution registered a pre-tax loss of RM 8.17 million as compared to pre-tax loss of RM 10.88 million in the corresponding period in year 2014. The higher pre-tax loss in corresponding financial period in 2014 was mainly due to the cost of options under ESOS of RM 2.90 million.

(ii) Business Software Solutions

Business software solutions revenue for the financial period ended 31 December 2015 was RM 0.65 million as compared to RM 1.28 million in the corresponding period in year 2014. Business software solutions recorded a pre-tax loss of RM 0.28 million as compared to pre-tax loss of RM 1.34 million in the corresponding period in year 2014.

(iii) Logistics Services

Logistics services revenue for the financial period ended 31 December 2015 was RM 0.28 million. Logistics services recorded a pre-tax loss of RM 2.39 million as compared to pre-tax loss of RM 0.22 million in the corresponding period in year 2014. The loss incurred for the current financial period was mainly attributed to the business start up costs which related to the manpower costs, administrative and operating expenses.

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

The current quarter (Q3 -2015/16) revenue was RM 68.24 million represents an improvement of RM 11.39 million as compared to immediate preceding quarter (Quarter 2 -2015/16) revenue of RM 56.85 million. Current quarter recorded a pre-tax loss of RM 4.25 million as compared to a pre-tax loss of RM 4.28 million for the immediate preceding quarter.

B3 Prospects

In view of uncertain global and local economy and weak Malaysian Ringgit continues to pose a challenging outlook on the Group's businesses. In view of this, the Group will set up the efforts to improve the operational efficiencies and effectiveness and cost management to work towards enhancing the Group's revenue and performance for the remaining quarter of the year.

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 THIRD QUARTER ENDED 31 DECEMBER 2015

B5 Taxation

	Current Quarter Ended 31/12/2015 RM000	Current Year-To- Date Ended 31/12/2015 RM000
Income tax :		
- Current year	-	-
- Over/ (under) provision in prior year	-	-
	<hr/>	<hr/>
-Deferred tax	-	-
	<hr/>	<hr/>
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There is no provision for taxation for the current quarter and current year to-date as the companies in the Group have incurred losses and unutilised tax losses.

B6 Corporate proposal

Status of the corporate proposal announced but not completed as at 19 February 2016 (being the latest practical date which is not later than 7 days from the date of issue of this Quarterly Report).

There were no corporate proposals announced but not completed.

B7 Borrowing and debts Securities

The Group's borrowings as at 31 December 2015 are as follows :-

	As at 31/12/2015 RM000
Non Current	
- Term loan	6,420
- Hire purchase creditors	1,978
	<hr/>
	8,398
Current	
- Bankers' acceptances and term loan	9,502
- Hire purchase creditors	292
	<hr/>
	9,794
	<hr/>
Total Borrowings	18,192
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B8 Material litigations

As at 19 February 2016 (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.

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NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015

B9 Dividends

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

B10 Earnings/ (Loss) Per Share

(i) Basic Loss Per Share

	Current Year Quarter Ended 31/12/2015	Current Year To- Date Ended 31/12/2015
Loss attributable to Owners of the Parent (RM'000)	(4,286)	(11,341)
Weighted average number of shares in issue ('000)	953,799	953,799
Basic loss per share (sen)	(0.45)	(1.19)

(ii) Diluted Earnings/ (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.

B11 Disclosure of Realised And Unrealised Losses

	As at 31/12/2015 RM000	As at 31/3/2015 RM000
Total accumulated losses of the Group :		
- Realised	(47,982)	(37,457)
-Unrealised	(387)	457
	(48,369)	(37,000)
Consolidated adjustments	2,452	2,424
	(45,917)	(34,576)