

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 MARCH 2016

	UNAUDITED AS AT 31/3/2016 RM'000	AUDITED AS AT 31/03/2015 RM'000
	Note	
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	26,398	28,543
Intangible assets	10,800	11,153
Investment properties	9,163	-
Goodwill on consolidation	9,781	9,781
	<u>56,142</u>	<u>49,477</u>
CURRENT ASSETS		
Inventories	15,307	13,388
Trade receivables	32,807	64,997
Other receivables	5,244	5,815
Deposits with licensed banks	3,649	1,000
Cash and bank balances	7,040	17,207
	<u>64,047</u>	<u>102,407</u>
TOTAL ASSETS	<u>120,189</u>	<u>151,884</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	95,380	95,380
Reserves	(27,394)	(8,691)
	67,986	86,689
Non-Controlling Interest	(199)	61
TOTAL EQUITY	<u>67,787</u>	<u>86,750</u>
NON CURRENT LIABILITIES		
Deferred taxation	387	387
Borrowings	8,046	7,079
	<u>8,433</u>	<u>7,466</u>
CURRENT LIABILITIES		
Trade payables	30,803	37,870
Other payables	5,519	9,531
Borrowings	7,647	10,267
	<u>43,969</u>	<u>57,668</u>
TOTAL LIABILITIES	<u>52,402</u>	<u>65,134</u>
TOTAL EQUITY AND LIABILITIES	<u>120,189</u>	<u>151,884</u>
Net Assets per share attributable to Owners of the Parent (sen)	<u>7.13</u>	<u>9.09</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 2015 and accompanying explanatory notes to this interim financial statements.

MMAG HOLDINGS BERHAD

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/3/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/3/2015 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/3/2015 RM'000
Revenue	58,897	118,435	232,993	407,026
Cost of Sales	(59,129)	(120,191)	(226,889)	(405,841)
Gross (loss) / profit	(232)	(1,756)	6,104	1,185
Other income	1,608	(278)	2,691	1,513
Profit / (loss) on foreign exchange	497	(1,312)	(1,017)	(872)
Depreciation	(343)	(580)	(2,249)	(2,210)
Fair value loss on derivatives financial liabilities	(942)	-	(942)	-
Bad debts written off	(1,283)	(1,871)	(1,340)	(1,873)
(Allowance)/ write back for impairment loss on receivables	(144)	(103)	(144)	(173)
(Allowance)/ write back of allowance and (write off) for impaired inventories	(446)	(559)	(448)	(561)
Impairment loss on intangible assets	(460)	-	(460)	-
Finance costs	(393)	(437)	(1,715)	(1,672)
Other expenses	(5,469)	(4,394)	(19,495)	(17,193)
Results from operating activities before interest income and ESOS expenses	(7,607)	(11,290)	(19,015)	(21,856)
Interest income	14	-	53	34
ESOS expenses	-	(400)	-	(3,300)
Loss before taxation	(7,593)	(11,690)	(18,962)	(25,122)
Taxation	(21)	377	(21)	406
Loss after taxation for the period	(7,614)	(11,313)	(18,983)	(24,716)
Loss attributable to:				
Owners of the parent	(7,382)	(11,330)	(18,723)	(24,707)
Non-Controlling Interest	(232)	17	(260)	(9)
	(7,614)	(11,313)	(18,983)	(24,716)
Basic loss per share (sen)	(0.77)	(1.19)	(1.96)	(2.72)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

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FOR THE FOURTH QUARTER ENDED 31 MARCH 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/3/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/3/2015 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/3/2015 RM'000
Loss after taxation for the period	(7,614)	(11,313)	(18,983)	(24,716)
Other comprehensive (loss)/ income for the period, net of tax				
Currency translation difference	(21)	32	20	43
Total other comprehensive (loss)/ income, net of tax	(21)	32	20	43
Total comprehensive loss for the period, net of tax	(7,635)	(11,281)	(18,963)	(24,673)
Total comprehensive (loss)/ income attributable to :				
Owners of the parent	(7,403)	(11,298)	(18,703)	(24,664)
Non-Controlling Interest	(232)	17	(260)	(9)
	(7,635)	(11,281)	(18,963)	(24,673)

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

Included in cost of sales, an amortisation charge of development cost of RM Nil (RM Nil - Q4-2014/15) and depreciation charges of RM 0.33 million (RM Nil Q4-2014/15). Current year to-date amortisation charges of development cost of RM Nil (2015 : RM 0.76 million) and depreciation charges RM 0.33 million (2015 : RM Nil) respectively.

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

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 FOURTH QUARTER ENDED 31 MARCH 2016**

Attributable to Equity Holders of the Company

***** Non-distributable *****

	Share capital	Share premium	Merger deficit	Warrants reserve	Employee Share reserve	Exchange Translation reserve	Cash Flows hedge reserve	Revaluation reserve	Accumulated losses	Total	Non-Controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	-	-	-	-	(18,723)	(18,723)	(260)	(18,983)
Foreign currency translation differences arising from a foreign subsidiary	-	-	-	-	-	20	-	-	-	20	-	20
Total comprehensive loss for the period	-	-	-	-	-	20	-	-	(18,723)	(18,703)	(260)	(18,963)
As at 31 March 2016	95,380	19,824	(7,900)	6,563	-	65	-	7,353	(53,299)	67,986	(199)	67,787
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	-	-	-	-	-	-	-	-	(202)	(202)	202	-
Employees' Share Option Scheme	-	-	-	-	3,300	-	-	-	-	3,300	-	3,300
- Granted	-	-	-	-	3,300	-	-	-	-	3,300	-	3,300
- Exercised	10,000	3,285	-	-	(3,300)	-	-	-	-	9,985	-	9,985
Total transactions with owners	10,000	3,285	-	-	-	-	-	(202)	(202)	13,083	202	13,285
Net loss for the period	-	-	-	-	-	-	-	-	(24,707)	(24,707)	(9)	(24,716)
Foreign currency translation differences arising from a foreign subsidiary	-	-	-	-	-	43	-	-	-	43	-	43
Total comprehensive loss for the period	-	-	-	-	-	43	-	-	(24,707)	(24,664)	(9)	(24,673)
As at 31 March 2015	95,380	19,824	(7,900)	6,563	-	45	-	7,353	(34,576)	86,689	61	86,750

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 FOURTH QUARTER ENDED 31 MARCH 2016

	CURRENT YEAR TO DATE ENDED 31/3/2016 RM'000	PRECEDING YEAR TO DATE ENDED 31/3/2015 RM'000
Cash Flows From Operating Activities		
Loss before tax	(18,962)	(25,122)
Adjustments for :		
Non-cash items	5,704	10,306
Non-operating items	1,663	1,251
Operating loss before working capital changes	(11,595)	(13,565)
Changes in working capital		
Inventories	(2,372)	11,164
Receivables	31,740	6,822
Payables	(10,899)	(4,387)
Cash generated/ (used in) operations	6,874	34
Tax paid	(389)	(730)
Tax refunded	19	143
Interest received	53	1,198
Interest paid	(1,715)	(2,567)
Net cash generated/ (used in) operating activities	4,842	(1,922)
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(3,116)	(4,388)
Purchase of investment properties	(6,553)	-
Additional investment in subsidiary company	-	0 *
Purchase of Intangible assets	-	(5,153)
Proceeds from disposal of property, plant and equipment	57	28
Proceeds from disposal of intangible asset	-	1,200
Net cash used in investing activities	(9,612)	(8,313)
Cash Flows Financing Activity		
Proceeds from issuance of shares arising from exercise of ESOS, net of share issuance expenses	-	9,985
Proceeds from investment by non-controlling interest	-	0 *
Repayment of hire purchase creditors	(430)	(90)
Net (repayment)/ drawdown of bankers' acceptance and term loans	(3,338)	3,588
Net cash generated/ (used in) from financing activity	(3,768)	13,483
Net (decrease)/ increase in cash and cash equivalents	(8,538)	3,248
Effect of forex translation differences	20	43
Cash And Cash Equivalent At Beginning of Period	18,207	14,916
Cash And Cash Equivalent At End of Period	9,669	18,207
Cash and Cash Equivalents Comprise of :		
Cash and bank balances	7,040	17,207
Deposits with a licensed bank	3,649	1,000
	10,689	18,207
Fixed deposits pledged with licensed bank	(1,000)	-
	9,689	18,207

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 FOURTH QUARTER ENDED 31 MARCH 2016

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 FOURTH QUARTER ENDED 31 MARCH 2016

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:

	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
<u>For the financial year ended 31 March 2016</u>							
Sales to external customer	231,487	817	689	-	232,993	-	232,993
Inter-segment sales	-	381	66	-	447	(447)	-
Total sales	231,487	1,198	755	-	233,440	(447)	232,993
Loss before tax	(14,437)	(274)	(3,620)	(631)	(18,962)	-	(18,962)
	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
<u>For the financial year ended 31 March 2015</u>							
Sales to external customer	405,285	1,741	-	-	407,026	-	407,026
Inter-segment sales	169	212	155	-	536	(536)	-
Total sales	405,454	1,953	155	-	407,562	(536)	407,026
Loss before tax	(21,861)	(1,988)	(360)	(913)	(25,122)	-	(25,122)

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 FOURTH QUARTER ENDED 31 MARCH 2016

A10 Events subsequent to the end of the interim reporting period

There were no events subsequent to the end of the period under review.

A11 Changes in the composition of the Group

- (i) On 11 January 2016, the Board of Directors of MMAG Holdings Berhad ("MMAG") 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 MMAG 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 MMAG for the financial year ending 31 March 2016.

- (ii) On 11 January 2016, the Board of Directors of MMAG 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 MMAG 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 MMAG for the financial year ending 31 March 2016.

A12 Contingent Liabilities

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

	As at 31/3/2016 RM'000
Corporate guarantees to suppliers for trade credit facilities granted to subsidiary company	92,830
Corporate guarantees to financial institution for term loan and other banking facilities granted to subsidiary company	21,060
Bank guarantee obtained by the Group to a Vendor	1,565
	115,455

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2016

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 year ended 31 March 2016 was RM 232.99 million represents a decrease of RM 174.04 million as compared to RM 407.03 million in the corresponding financial year 2015. The decrease in revenue for the current financial year was mainly due to lower revenue from ICT distribution businesses of RM 231.49 million as compared to RM 405.29 million in corresponding financial year 2015.

The Group registered a pre-tax loss of RM 18.96 million for the financial year ended 31 March 2016 as compared to pre-tax loss of RM 25.12 million in the corresponding financial year 2015. The higher pre-tax loss in the corresponding financial year 2015 was mainly due to loss on disposal of slowing moving inventories and the cost of options under ESOS of RM 3.30 million.

(i) ICT Distribution

ICT distribution revenue for financial year ended 31 March 2016 was RM 231.49 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 year ended 31 March 2016, ICT Distribution registered a pre-tax loss of RM 14.44 million as compared to pre-tax loss of RM 21.86 million in the corresponding year 2015. The higher pre-tax loss in corresponding financial year 2015 was mainly due to loss on disposal of slow moving inventories and the cost of options under ESOS of RM 3.30 million.

(ii) Business Software Solutions

Business software solutions revenue for the financial year ended 31 March 2016 was RM 0.82 million as compared to RM 1.74 million in the corresponding year 2015. Business software solutions recorded a pre-tax loss of RM 0.27 million as compared to pre-tax loss of RM 1.99 million in the corresponding year 2015.

(ii) Logistics Services

Logistics services revenue for the financial year ended 31 March 2016 was RM 0.69 million. Logistics services recorded a pre-tax loss of RM 3.62 million as compared to pre-tax loss of RM 0.36 million in the corresponding year 2015. The loss incurred for the current financial year 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 (Q4 -2015/16) revenue was RM 58.90 million represents a decrease of RM 9.34 million as compared to immediate preceding quarter (Quarter 3 -2015/16) revenue of RM 68.24 million. Current quarter recorded a pre-tax loss of RM 7.59 million as compared to a pre-tax loss of RM 4.25 million for the immediate preceding quarter. The higher pre-tax loss for the current quarter as compared to immediate preceding quarter was mainly due to customer settlement discount given and writing off of bad debts.

B3 Prospects

Year 2015 has been a relatively challenging year for the Group with competitive business environment, weak domestic currency and economic pressure on consumer's disposal income. The Group expects a continued competitive operating environment for the next financial year and the Group will constantly review its market position, explore new market potential and improve operational efficiency to work towards enhancing the Group financial performance and position.

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 FOURTH QUARTER ENDED 31 MARCH 2016

B5 Taxation

	Current Quarter Ended 31/3/2016 RM'000	Current Year-To- Date Ended 31/3/2016 RM'000
Income tax :		
- Current year	-	-
- Over/ (under) provision in prior year	(21)	(21)
	(21)	(21)
-Deferred tax	-	-
	(21)	(21)

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 20 May 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 March 2016 are as follows :-

	As at 31/3/2016 RM'000
Non Current	
- Term loan	6,302
- Hire purchase creditors	1,744
	8,046
Current	
- Bankers' acceptances and term loan	7,223
- Hire purchase creditors	424
	7,647
Total Borrowings	15,693

B8 Material litigations

As at 20 May 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 FOURTH QUARTER ENDED 31 MARCH 2016

B9 Dividends

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

B10 Loss Per Share

(i) Basic Loss Per Share

	Current Year Quarter Ended 31/3/2016	Current Year To- Date Ended 31/3/2016
Loss attributable to Owners of the Parent (RM'000)	(7,382)	(18,723)
Weighted average number of shares in issue ('000)	953,799	953,799
Basic loss per share (sen)	<u>(0.77)</u>	<u>(1.96)</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 would be anti-dilutive.

B11 Disclosure of Realised And Unrealised Losses

	As at 31/3/2016 RM'000	As at 31/3/2015 RM'000
Total accumulated losses of the Group :		
- Realised loss	(56,499)	(37,457)
-Unrealised profit	516	457
	<u>(55,983)</u>	<u>(37,000)</u>
Consolidated adjustments	2,684	2,424
	<u>(53,299)</u>	<u>(34,576)</u>