

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 30 SEPTEMBER 2016

	UNAUDITED AS AT 30/9/2016 RM'000	AUDITED AS AT 31/03/2016 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	26,658	26,398
Intangible assets	9,742	10,800
Investment properties	9,085	9,163
Goodwill on consolidation	9,807	9,781
Fixed deposits with a licensed bank	1,000	1,000
	<u>56,292</u>	<u>57,142</u>
CURRENT ASSETS		
Inventories	14,397	15,307
Trade receivables	41,731	32,964
Other receivables	12,524	5,896
Deposits with licensed banks	2,497	2,649
Cash and bank balances	1,763	7,068
	<u>72,912</u>	<u>63,884</u>
TOTAL ASSETS	<u>129,204</u>	<u>121,026</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	95,380	95,380
Reserves	(33,271)	(27,394)
	<u>62,109</u>	<u>67,986</u>
Non-Controlling Interest	(201)	(199)
TOTAL EQUITY	<u>61,908</u>	<u>67,787</u>
NON CURRENT LIABILITIES		
Deferred taxation	399	387
Borrowings	6,476	8,045
	<u>6,875</u>	<u>8,432</u>
CURRENT LIABILITIES		
Trade payables	38,365	30,874
Other payables	11,394	6,287
Borrowings	10,662	7,646
	<u>60,421</u>	<u>44,807</u>
TOTAL LIABILITIES	<u>67,296</u>	<u>53,239</u>
TOTAL EQUITY AND LIABILITIES	<u>129,204</u>	<u>121,026</u>
Net Assets per share attributable to Owners of the Parent (sen)	<u>6.51</u>	<u>7.13</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 2016 and accompanying explanatory notes to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR TO DATE	CORRESPONDING
	QUARTER	QUARTER ENDED	YEAR TO DATE	PERIOD ENDED
	ENDED	ENDED	ENDED	PERIOD ENDED
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	71,328	56,850	134,366	105,858
Cost of Sales	(68,975)	(54,456)	(130,305)	(101,489)
Gross profit	2,353	2,394	4,061	4,369
Other income	549	488	927	715
Gain/ (loss) on foreign exchange	38	(970)	437	(516)
Depreciation and amortisation	(1,149)	(643)	(2,259)	(1,259)
Bad debts written off	-	(15)	-	(22)
(Allowance)/ write back for impairment loss on receivables	-	-	-	-
(Allowance)/ write back of allowance and (write off) for impaired inventories	(15)	(2)	(15)	(2)
Finance costs	(349)	(546)	(679)	(862)
Other expenses	(4,550)	(4,989)	(8,362)	(9,583)
Results from operating activities	(3,123)	(4,283)	(5,890)	(7,160)
Interest income	23	2	62	38
Loss before taxation	(3,100)	(4,281)	(5,828)	(7,122)
Taxation	-	-	-	-
Loss after taxation for the period	(3,100)	(4,281)	(5,828)	(7,122)
Loss attributable to:				
Owners of the parent	(3,099)	(4,247)	(5,826)	(7,055)
Non-Controlling Interest	(1)	(34)	(2)	(67)
	(3,100)	(4,281)	(5,828)	(7,122)
Basic loss per share (sen)	(0.32)	(0.45)	(0.61)	(0.74)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/9/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/9/2015 RM'000	CURRENT YEAR TO DATE ENDED 30/9/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/9/2015 RM'000
Loss after taxation for the period	(3,100)	(4,281)	(5,828)	(7,122)
Other comprehensive income/ (loss) for the period, net of tax				
Currency translation difference	11	17	20	49
Total other comprehensive income/ (loss), net of tax	11	17	20	49
Total comprehensive loss for the period, net of tax	<u>(3,089)</u>	<u>(4,264)</u>	<u>(5,808)</u>	<u>(7,073)</u>
Total comprehensive loss attributable to :				
Owners of the parent	(3,088)	(4,230)	(5,806)	(7,006)
Non-Controlling Interest	(1)	(34)	(2)	(67)
	<u>(3,089)</u>	<u>(4,264)</u>	<u>(5,808)</u>	<u>(7,073)</u>

Note : N/A - Not Applicable

Included in cost of sales, a depreciation charges of RM 0.11 million for Q2-2016/17 (RM Nil Q2-2015/16).and current year to-date depreciation charges RM 0.20 million (2015 : RM Nil).

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 2016 and accompanying explanatory notes to this interim financial statements.

MMAG HOLDINGS BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

		Attributable to Equity Holders of the Company									
		----- Non-distributable -----									
		Share premium	Merger deficit	Warrants reserve	Exchange Translation 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	
As at 1 April 2016		95,380	19,824	(7,900)	6,563	65	7,353	(53,299)	67,986	(199)	67,787
Transactions with owners :											
Warrants expired		-	-	(6,563)	-	-	6,563	-	-	-	-
Share issuance expenses		-	(71)	-	-	-	-	(71)	-	-	(71)
		-	(71)	(6,563)	-	-	6,563	(71)	-	-	(71)
Net loss for the period		-	-	-	-	-	(5,826)	(5,826)	(2)	(2)	(5,828)
Foreign currency translation differences arising from a foreign subsidiary		-	-	-	20	-	-	20	-	-	20
Total comprehensive loss for the period		-	-	-	20	-	(5,826)	(5,806)	(2)	(2)	(5,808)
As at 30 September 2016		95,380	19,753	(7,900)	85	7,353	(52,562)	62,109	(201)	(201)	61,908
Balance 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		-	-	-	-	-	(7,055)	(7,055)	(67)	(67)	(7,122)
Foreign currency translation differences arising from a foreign subsidiary		-	-	-	49	-	-	49	-	-	49
Total comprehensive loss for the period		-	-	-	49	-	(7,055)	(7,006)	(67)	(67)	(7,073)
As at 30 September 2015		95,380	19,824	(7,900)	6,563	94	7,353	(41,631)	79,683	(6)	79,677

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 2016 and accompanying explanatory notes to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

	CURRENT YEAR TO DATE ENDED 30/9/2016 RM'000	PRECEDING YEAR TO DATE ENDED 30/9/2015 RM'000
Cash Flows From Operating Activities		
Loss before tax	(5,828)	(7,122)
Adjustments for :		
Non-cash items	2,555	1,205
Non-operating items	617	824
Operating loss before working capital changes	<u>(2,656)</u>	<u>(5,093)</u>
Changes in working capital		
Inventories	1,132	(5,999)
Receivables	(11,538)	15,824
Payables	9,606	(3,526)
Cash (used in)/ generated from operations	<u>(3,456)</u>	<u>1,206</u>
Tax paid	(23)	(302)
Interest received	62	38
Interest paid	(679)	(862)
Net cash used in operating activities	<u>(4,096)</u>	<u>80</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(929)	(8,899)
Acquisition of subsidiary companies	(1,211)	-
Development costs	-	(113)
Proceeds from disposal of property, plant and equipment	0	57
Net cash used in investing activities	<u>(2,140)</u>	<u>(8,955)</u>
Cash Flows Financing Activity		
Repayment of hire purchase creditors	(219)	(169)
Net drawdown/ (repayment) of bankers' acceptance and term loans	1,048	46
Share issuance expenses	(71)	-
Net cash generated/ (used in) from financing activity	<u>758</u>	<u>(123)</u>
Net (decrease)/ increase in cash and cash equivalents	(5,478)	(8,998)
Effect of forex translation differences	21	49
Cash And Cash Equivalent At Beginning of Period	9,717	18,207
Cash And Cash Equivalent At End of Period	<u>4,260</u>	<u>9,258</u>
Cash and Cash Equivalents Comprise of :		
Cash and bank balances	1,763	8,258
Deposits with a licensed bank	3,497	1,000
	<u>5,260</u>	<u>9,258</u>
Fixed deposits pledged with licensed bank	(1,000)	-
	<u>4,260</u>	<u>9,258</u>

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 2016 and accompanying explanatory notes to this interim financial statements.

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NOTES TO THE QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 2016.

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 2016.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on and after 1 April 2016 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 2016.

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 SECOND QUARTER ENDED 30 SEPTEMBER 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 and warehousing |

Segmental information for the Group is presented as follows:

<u>For the financial period</u> <u>ended 30 September 2016</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	133,199	349	817	1	134,366	-	134,366
Inter-segment sales	-	24	362	-	386	(386)	-
Total sales	133,199	373	1,179	1	134,752	(386)	134,366
Loss before tax	(3,945)	(260)	(1,616)	(7)	(5,828)	-	(5,828)

<u>For the financial period</u> <u>ended 30 September 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	105,371	413	74	-	105,858	-	105,858
Inter-segment sales	2	188	-	-	190	(190)	-
Total sales	105,373	601	74	-	106,048	(190)	105,858
Loss before tax	(4,908)	(161)	(1,569)	(484)	(7,122)	-	(7,122)

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 SECOND QUARTER ENDED 30 SEPTEMBER 2016

A10 Events subsequent to the end of the Interim reporting period

On 18 November 2016, the Board of Directors of MMAG Holdings Berhad ("MMAG" or "the Company") announced that its wholly owned subsidiary, MMAG Digital Sdn Bhd (formerly known as Ingens Sdn Bhd ("MDSB"), has on 18 November 2016, entered into a Warehouse Construction Agreement with Tristar Union Sdn Bhd (Company No.1160203-W) ("TUSB") of 9.02, 9th Floor, Persoft Tower, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor, to appoint TUSB as the contractor for the construction of a new two (2) storey office with one (1) storey warehouse ("Construction of the New Office and Warehouse") on a piece of land located at No.3 Jalan TP2, Taman Perindustrian UEP Subang Jaya, 47620 Subang Jaya, Selangor Darul Ehsan.

On the same date, MDSB has also entered into an agreement with Acer Sales and Services Sdn Bhd (Company No. 204410-A) ("Acer"), being the owner of the said land for which the Construction of the New Office and Warehouse will be on, to lease the land at a monthly cost of RM60,000.00. The commencement date of the lease is 1 January 2017 (to coincide with the construction period for the completion of the office and warehouse as mentioned below).

Payment for the lease will commence on 1 January 2018 (a 1 year rent free period is given while awaiting the Construction of the New Office and Warehouse). The lease is for a period of three (3) years with an option to renew the lease period after every three (3) years for a further three (3) years up to total lease period of twelve (12) years. There is no obligation for MDSB to purchase the leased land during the duration of the lease. However, MDSB has the first (1st) right of refusal should Acer finds a buyer during the lease period or after the expiry of the total lease of twelve (12) years.

All costs relating to the Construction of the New Office and Warehouse during the construction period (of one (1) year) will be funded by TUSB. Upon the completion of the office and warehouse (which is expected to be one year from the date of the Warehouse Construction Agreement), MDSB will make payments totaling approximately RM 16,800,000.00 to be fully settled in cash for the construction cost of the office and warehouse. Payments will be made on a deferred basis (monthly payment of RM 210,000.00 for a period of twelve (12) months with the final payment of RM 14,280,000.00 to be made on the 13th month from commencement of payment).

A11 Changes in the composition of the Group

On 1 June 2016, the Company entered into conditional sale and purchase agreements as follows:-

- (i) Proposed acquisition of the entire equity interest in VSurf Sdn Bhd ("VSB") comprising 100 ordinary shares of RM1.00 each from PDA Expert Mobility Sdn Bhd for a total purchase consideration of RM 819,424.00.
- (ii) Proposed acquisition of the entire equity interest in Inventure Conglomerate Sdn Bhd ("ICSB") comprising 1,000,000 ordinary shares of RM1.00 each from Sterling Progress Berhad for a total purchase consideration of RM 950,585.00.

The conditional sale and purchase agreements had been completed in July 2016.

A12 Contingent Liabilities

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

As at
30/9/2016
RM'000

Corporate guarantees given to certain suppliers and financial institutions for certain subsidiary companies.

135,724

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NOTES TO THE QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 period ended 30 September 2016 was RM 134.37 million represents an increase of RM 28.51 million as compared to RM 105.86 million in the corresponding financial period 2015. The increase in revenue for the current financial period was mainly due to higher revenue from ICT distribution businesses of RM 133.20 million as compared to RM 105.37 million in corresponding financial period 2015.

The Group registered a pre-tax loss of RM 5.83 million for the financial period ended 30 September 2016 as compared to pre-tax loss of RM 7.12 million in the corresponding financial period 2015. The higher pre-tax loss in the corresponding financial period 2015 mainly due to foreign exchange loss and out of court settlement paid to third party and legal fees incurred.

(i) ICT Distribution

ICT distribution revenue for financial period ended 30 September 2016 was RM 133.20 million. The revenue mainly derived from IT hardware and software distribution and services, mobile devices, and also act as telecommunication operators' value adding partner. For the financial period ended 30 September 2016, ICT Distribution registered a pre-tax loss of RM 3.95 million as compared to pre-tax loss of RM 4.91 million in the corresponding financial period 2015.

(ii) Business Software Solutions

Business software solutions revenue for the financial period ended 30 September 2016 was RM 0.35 million as compared to RM 0.41 million in the corresponding financial period 2015. Business software solutions recorded a pre-tax loss of RM 0.26 million as compared to pre-tax loss of RM 0.16 million in the corresponding financial period 2015. The higher pre-tax for the current period mainly due to lower hosting revenue for current financial period as compared to corresponding financial period 2015.

(ii) Logistics Services

Logistics services revenue for the financial period ended 30 September 2016 was RM 0.82 million as compared to RM 0.07 million in the corresponding period in 2015. Logistics services recorded a pre-tax loss of RM 1.62 million as compared to pre-tax loss of RM 1.57 million in the corresponding financial period 2015.

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

The current quarter (Q2 -2016/17) revenue was RM 71.33 million represents an increase of RM 8.29 million as compared to immediate preceding quarter (Quarter 1 -2016/17) revenue of RM 63.04 million. Current quarter recorded a pre-tax loss of RM 3.10 million as compared to a pre-tax loss of RM 2.73 million for the immediate preceding quarter. The higher pre-tax loss for the current quarter as compared to immediate preceding quarter mainly due to customer settlement discount and lower foreign exchange gain.

B3 Prospects

Barring any unforeseen changes in the global economic climate and market conditions, the Group will continue to be cautious on the challenges ahead. The Group will constantly review its market position, explore new market potential and strengthening its operating structure to improve the Group overall financial 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 SECOND QUARTER ENDED 30 SEPTEMBER 2016

B5 Taxation

	Current Quarter Ended 30/9/2016 RM'000	To-Date Ended 30/9/2016 RM'000
Income tax :		
- Current year	-	-
- Over/ (under) provision in prior 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 and unutilised tax losses.

B6 Corporate proposal

Status of the corporate proposal announced but not completed as at 18 November 2016 (being the latest practical date which is not later than 7 days from the date of issue of this Quarterly Report).

- (a) On 17 October 2016 and 11 November 2016, TA Securities Holdings Berhad ("TA Securities") on behalf of the Board of Directors of MMAG Holdings Berhad ("MMAG or the Company") announced that the Company proposes to undertake the followings:-
- (i) Proposed reduction of the issued and paid-up share capital of MMAG via the cancellation of RM0.05 of the par value of the every existing ordinary shares of RM0.10 each to RM0.05 each in MMAG pursuant to Section 64 of the Companies Act, 1965 (Act) ("Proposed Par Value Reduction");
 - (ii) Proposed share consolidation of every four (4) ordinary shares of RM0.05 each in MMAG into one (1) new ordinary share of RM 0.20 each in MMAG ("Consolidated Share") after the Proposed Par Value Reduction ("Proposed Share Consolidation");
 - (iii) Proposed settlement of the amount owing to Landasan Simfoni Sdn Bhd ("LSSB") via the issuance of 36,363,600 new MMAG Shares at an issue price of RM0.22 per share ("Settlement Shares") after the Proposed Share Consolidation ("Proposed Debt Settlement");
 - (iv) Proposed special issue of up to 28,855,000 new MMAG Shares ("Bumiputera Shares") representing approximately ten point five percent (10.50%) of the enlarged issued and paid-up capital of MMAG after the Proposed Debt Settlement, to Bumiputera investors to be recognised by the Ministry of International Trade and Industry ("MITI") ("Proposed Special Bumiputera Issue");
 - (v) Proposed renounceable rights issue of up to 151,834,154 new MMAG shares ("Rights Shares") on the basis of one (1) Rights Share for every two (2) existing MMAG Shares held after the Proposed Special Bumiputera Issue at an issue price of RM0.25 per Rights Share, together with up to 227,751,231 free detachable warrants ("Warrants") on the basis of three (3) Warrants for every two (2) Rights Share ("Proposed Rights Issue of Share with Warrants");
 - (vi) Proposed renounceable rights issue of up to 607,336,618 new irredeemable convertible preference shares of RM0.05 in MMAG ("ICPS") on the basis of two (2) ICPS for every one (1) MMAG Share held after the Proposed Special Bumiputera Issue at an issue price of RM0.05 per ICPS ("Proposed Rights Issue of ICPS"); and
 - (vii) Proposed diversification of the business of MMAG to include fulfilment and/or logistics ("Proposed Diversification").
 - (viii) Proposed Increase in the Authorised Share Capital of MMAG from RM 200,000,000 comprising 2,000,000,000 ordinary shares of RM 0.10 each in MMAG to RM 350,000,000 comprising 1,500,000,000 ordinary shares of RM 0.20 each in MMAG and 1,000,000,000 ICPS of RM 0.05 each in MMAG ("Proposed Increase in Authorised Share Capital").
 - (ix) Proposed Amendments to the Memorandum and Articles of Association of MMAG to facilitate the Proposed Increase in Authorised Share Capital ("Proposed Amendments").

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NOTES TO THE QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

B6 Corporate proposal (Cont'd)

(b) On 10 November 2016, the Company announced that the Company has on 20 September 2016 submitted an application to seek the Ministry of International Trade and Industry's ("MITI") recognition of the existing Bumiputera shareholders in the Company based on the record of depository of the Company as at 22 August 2016.

MITI has vide its letter dated 8 November 2016 (which was received on 10 November 2016), recognised the Bumiputera shareholders in the Company holding 39,124,700 ordinary shares of RM 0.10 each in MMAG representing approximately 4.10% of MMAG's issued and paid up share capital on 22 August 2016 as Bumiputera investors.

(c) On 14 November 2016, TA Securities on behalf of the MMAG announced that the application in relation to the Proposed Special Bumiputera issue has been submitted to the Equity Compliance Unit of the Securities Commission ("SC") and the MITI on 14 November 2016.

(d) On 14 November 2016, TA Securities on behalf of the MMAG announced that the application in relation to the Proposed Share Consolidation as well as the additional listing application for the Proposed Debt Settlement, Proposed Special Bumiputera Issue, Proposed Rights Issue of Shares with Warrants and Proposed Rights Issue of ICPS have been submitted to Bursa Securities on 14 November 2016.

Completed Corporate Exercise

(i) **Free Warrants (* Warrants 2011/2016*)**

The subscription rights of the Warrants expired on 18 July 2016. At the expiry date, 36,551,600 warrants had been exercised and total number of unexercised warrants was 145,840,687.

Hence, this completed the corporate exercise initiated in year 2011.

B7 Borrowing and debts Securities

The Group's borrowings as at 30 September 2016 are as follows :-

	As at 30/9/2016 RM'000
Non Current	
- Term loan	4,459
- Hire purchase creditors	2,017
	6,476
Current	
- Bankers' acceptances and term loans	10,112
- Hire purchase creditors	550
	10,662
Total Borrowings	17,138

B8 Material litigations

As at 18 November 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.

B9 Dividends

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

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

NOTES TO THE QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016

B10 Loss Per Share

(i) Basic Loss Per Share

	Current Year Quarter Ended 30/9/2016	Current Year Ended 30/9/2016
Loss attributable to Owners of the Parent (RM'000)	(3,099)	(5,826)
Weighted average number of shares in issue ('000)	953,799	953,799
Basic loss per share (sen)	(0.32)	(0.61)

(ii) Diluted Loss Per Share

N/A	N/A
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B11 Disclosure of Realised And Unrealised Losses

	As at 30/9/2016 RM'000	As at 31/3/2016 RM'000
Total accumulated losses of the Group :		
- Realised loss	(54,116)	(55,556)
- Unrealised loss	(387)	(427)
	(54,503)	(55,983)
Consolidated adjustments	1,941	2,684
	(52,562)	(53,299)