

**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 2016**

	UNAUDITED AS AT 31/12/2016	AUDITED AS AT 31/03/2016
Note	RM'000	RM'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	27,745	26,398
Intangible assets	9,201	10,800
Investment properties	6,444	9,163
Goodwill on consolidation	9,807	9,781
Fixed deposits with a licensed bank	1,000	1,000
	<u>54,197</u>	<u>57,142</u>
<b>CURRENT ASSETS</b>		
Inventories	16,323	15,307
Trade receivables	34,501	32,964
Other receivables	6,674	5,896
Deposits with licensed banks	5,441	2,649
Cash and bank balances	3,294	7,068
	<u>66,233</u>	<u>63,884</u>
<b>TOTAL ASSETS</b>	<u>120,430</u>	<u>121,026</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	95,380	95,380
Reserves	(36,726)	(27,394)
	<u>58,654</u>	<u>67,986</u>
Non-Controlling Interest	(205)	(199)
<b>TOTAL EQUITY</b>	<u>58,449</u>	<u>67,787</u>
<b>NON CURRENT LIABILITIES</b>		
Deferred taxation	399	387
Borrowings	7,354	8,045
	<u>7,753</u>	<u>8,432</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	30,400	30,874
Other payables	11,829	6,287
Borrowings	11,999	7,646
	<u>54,228</u>	<u>44,807</u>
<b>TOTAL LIABILITIES</b>	<u>61,981</u>	<u>53,239</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>120,430</u>	<u>121,026</u>
<b>Net Assets per share attributable to Owners of the Parent (sen)</b>	<u>6.15</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.

**MMAG HOLDINGS BERHAD**

(formerly known as Ingenuity Consolidated Berhad)

(Company No: 609423-V)

(Incorporated in Malaysia)

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR TO DATE	CORRESPONDING
	QUARTER	QUARTER ENDED	ENDED	PERIOD ENDED
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Revenue	66,255	68,238	200,621	174,096
Cost of Sales	(65,760)	(66,271)	(196,065)	(167,760)
<b>Gross profit</b>	<b>495</b>	<b>1,967</b>	<b>4,556</b>	<b>6,336</b>
Other income	1,961	368	2,888	1,083
Gain/ (loss) on foreign exchange	(171)	(958)	266	(1,514)
Depreciation and amortisation	(1,125)	(647)	(3,384)	(1,906)
Gain/ (loss) on disposal of properties	112	-	112	-
Bad debts written off	-	(35)	-	(57)
(Allowance)/ write back for impairment loss on receivables	-	-	-	-
(Allowance)/ write back of allowance and (write off) for impaired inventories	-	-	(15)	(2)
Finance costs	(219)	(460)	(898)	(1,322)
Other expenses	(4,131)	(4,443)	(12,493)	(14,026)
<b>Results from operating activities</b>	<b>(3,078)</b>	<b>(4,248)</b>	<b>(8,968)</b>	<b>(11,408)</b>
Interest income	18	1	80	39
<b>Loss before taxation</b>	<b>(3,060)</b>	<b>(4,247)</b>	<b>(8,888)</b>	<b>(11,369)</b>
Taxation	-	-	-	-
<b>Loss after taxation for the period</b>	<b>(3,060)</b>	<b>(4,247)</b>	<b>(8,888)</b>	<b>(11,369)</b>
<b>Loss attributable to:</b>				
Owners of the parent	(3,056)	(4,286)	(8,882)	(11,341)
Non-Controlling Interest	(4)	39	(6)	(28)
	<b>(3,060)</b>	<b>(4,247)</b>	<b>(8,888)</b>	<b>(11,369)</b>
Basic loss per share (sen)	(0.32)	(0.45)	(0.93)	(1.19)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

**MMAG HOLDINGS BERHAD**  
**(formerly known as Ingenuity Consolidated Berhad)**

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

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/12/2015 RM'000	CURRENT YEAR TO DATE ENDED 31/12/2016 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/12/2015 RM'000
Loss after taxation for the period	(3,060)	(4,247)	(8,888)	(11,369)
Other comprehensive income/ (loss) for the period, net of tax				
Currency translation difference	32	(8)	52	41
<b>Total other comprehensive income/ (loss), net of tax</b>	<b>32</b>	<b>(8)</b>	<b>52</b>	<b>41</b>
<b>Total comprehensive loss for the period, net of tax</b>	<b>(3,028)</b>	<b>(4,255)</b>	<b>(8,836)</b>	<b>(11,328)</b>
<b>Total comprehensive loss attributable to :</b>				
Owners of the parent	(3,024)	(4,294)	(8,830)	(11,300)
Non-Controlling Interest	(4)	39	(6)	(28)
	<b>(3,028)</b>	<b>(4,255)</b>	<b>(8,836)</b>	<b>(11,328)</b>

**Note : N/A - Not Applicable**

Included in cost of sales, a depreciation charges of RM 0.19 million for Q3-2016/17 (RM Nil Q3-2015/16), and current year to-date depreciation charges RM 0.39 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, 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**  
(formerly known as Ingenuity Consolidated Berhad)  
(Company No: 609423-V)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

		Attributable to Equity Holders of the Company									
		Non-distributable					Non-Controlling interests				
		Exchange		Revaluation reserve		Accumulated losses		Total		Total equity	
		Share premium	Merger deficit	Warrants reserve	Translation reserve	Revaluation reserve	RM'000	RM'000	RM'000	RM'000	RM'000
<b>As at 1 April 2016</b>		95,380	19,824	(7,900)	6,563	65	7,353	(53,299)	67,986	(199)	67,787
<b>Transactions with owners :</b>											
Warrants expired		-	-	(6,563)	-	-	-	6,563	-	-	-
Share issuance expenses		-	(502)	-	-	-	-	-	(502)	-	(502)
		-	(502)	(6,563)	-	-	-	6,563	(502)	-	(502)
Net loss for the period		-	-	-	-	-	-	(8,882)	(8,882)	(6)	(8,888)
Foreign currency translation differences arising from a foreign subsidiary		-	-	-	52	-	-	-	52	-	52
<b>Total comprehensive loss for the period</b>		-	-	-	52	-	-	(8,882)	(8,830)	(6)	(8,836)
<b>As at 31 December 2016</b>		<b>95,380</b>	<b>19,322</b>	<b>(7,900)</b>	<b>-</b>	<b>117</b>	<b>7,353</b>	<b>(55,618)</b>	<b>58,654</b>	<b>(205)</b>	<b>58,449</b>
<b>Balance as at 1 April 2015</b>		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
<b>Total comprehensive loss for the period</b>		-	-	-	41	-	-	(11,341)	(11,300)	(28)	(11,328)
<b>As at 31 December 2015</b>		<b>95,380</b>	<b>19,824</b>	<b>(7,900)</b>	<b>6,563</b>	<b>86</b>	<b>7,353</b>	<b>(45,917)</b>	<b>75,389</b>	<b>33</b>	<b>75,422</b>

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.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

	CURRENT YEAR TO DATE ENDED 31/12/2016 RM'000	PRECEDING YEAR TO DATE ENDED 31/12/2015 RM'000
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(8,888)	(11,369)
Adjustments for:		
Non-cash items	3,754	1,863
Non-operating items	818	1,283
Operating loss before working capital changes	<u>(4,316)</u>	<u>(8,223)</u>
Changes in working capital		
Inventories	(795)	(9,746)
Receivables	1,543	7,992
Payables	3,302	9,294
Cash (used in)/ generated from operations	<u>(266)</u>	<u>(683)</u>
Tax paid	(13)	(387)
Interest received	80	39
Interest paid	(898)	(1,322)
Net cash used in operating activities	<u>(1,097)</u>	<u>(2,353)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(2,798)	(7,840)
Acquisition of subsidiary companies	(1,211)	-
Development costs	-	(146)
Proceeds from disposal of property, plant and equipment	2,767	57
Net cash used in investing activities	<u>(1,242)</u>	<u>(7,929)</u>
<b>Cash Flows Financing Activity</b>		
Repayment of hire purchase creditors	(361)	(300)
Net drawdown/ (repayment) of bankers' acceptance and term loans	2,168	(941)
Share issuance expenses	(502)	-
Net cash generated/ (used in) from financing activity	<u>1,305</u>	<u>(1,241)</u>
Net (decrease)/ increase in cash and cash equivalents	(1,034)	(11,523)
Effect of forex translation differences	52	41
Cash And Cash Equivalent At Beginning of Period	9,717	18,207
Cash And Cash Equivalent At End of Period	<u>8,735</u>	<u>6,725</u>
<b>Cash and Cash Equivalents Comprise of:</b>		
Cash and bank balances	3,294	4,725
Deposits with a licensed bank	6,441	2,000
	<u>9,735</u>	<u>6,725</u>
Fixed deposits pledged with licensed bank	(1,000)	-
	<u>8,735</u>	<u>6,725</u>

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.

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

**NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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.

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

**NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 ended 31 December 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	198,671	626	1,323	1	200,621	-	200,621
Inter-segment sales	-	36	704	-	740	(740)	-
<b>Total sales</b>	<b>198,671</b>	<b>662</b>	<b>2,027</b>	<b>1</b>	<b>201,361</b>	<b>(740)</b>	<b>200,621</b>
<b>(Loss)/ profit before tax</b>	<b>(5,748)</b>	<b>(272)</b>	<b>(2,890)</b>	<b>22</b>	<b>(8,888)</b>	<b>-</b>	<b>(8,888)</b>

<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)	-
<b>Total sales</b>	<b>173,167</b>	<b>934</b>	<b>284</b>	<b>-</b>	<b>174,385</b>	<b>(289)</b>	<b>174,096</b>
<b>Loss before tax</b>	<b>(8,166)</b>	<b>(283)</b>	<b>(2,388)</b>	<b>(532)</b>	<b>(11,369)</b>	<b>-</b>	<b>(11,369)</b>

**A9 Valuation of property, plant and equipment**

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

**A10 Events subsequent to the end of the interim reporting period**

There were no material events subsequent to the end of the period 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 THIRD QUARTER ENDED 31 DECEMBER 2016**

**A11 Changes in the composition of the Group**

(A) On 7 February 2017, the Board of Directors of MMAG Holdings Berhad ("MMAG") announced that the Company's sub-subsidiary, Ingens International Ltd ("Ingens International") has officially been struck off from the Registrar of Corporate Affairs in the British Virgin Islands under the BVI Business Companies Act, 2004.

Ingens International has not commenced its business operations since incorporation and has no intention to carry on its business or operation in the future. The paid-up capital of Ingens International is USD 50,000.00 comprising 50,000 ordinary shares of USD 1.00 each. 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 Ingens International.

The striking off of Ingens International 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 2017.

(B) On 7 February 2017, the Board of Directors of MMAG announced that the Company's sub-subsidiary, Ingens (Indonesia) Pte Ltd ("Ingens Indonesia") has officially been struck off from the Registrar of Corporate Affairs in the British Virgin Islands under the BVI Business Companies Act, 2004.

Ingens Indonesia has not commenced its business operations since incorporation and has no intention to carry on its business or operation in the future. The paid-up capital of Ingens Indonesia is USD 50,000.00 comprising 50,000 ordinary shares of USD 1.00 each. 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 Ingens Indonesia.

The striking off of Ingens Indonesia 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 2017.

**A12 Contingent Liabilities**

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

	As at 31/12/2016 RM'000
Corporate guarantees given to certain suppliers and financial institutions of certain subsidiary companies.	145,090
	145,090

**A13 Commitments**

	As at 31/12/2016 RM'000
Construction of a new two storey office with one storey warehouse	16,800
Lease of land	2,160

The Company leased a land and the lease period is for three years with an option to renew after every three years for a further three (3) years up to total lease period of twelve (12) years.



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

**NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 31 December 2016 was RM 200.62 million represents an increase of RM 26.52 million as compared to RM 174.10 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 198.67 million as compared to RM 173.17 million in corresponding financial period 2015.

The Group registered a pre-tax loss of RM 8.89 million for the financial period ended 31 December 2016 as compared to pre-tax loss of RM 11.37 million in the corresponding financial period 2015. The lower pre-tax loss for the current financial period as compared corresponding financial period 2015 mainly due to decrease in the manpower costs and finance costs resulted from rationalising measures taken on certain business operations during the financial period 2016. During financial period 2016 also recorded a foreign exchange gain as compared to foreign exchange loss recorded in financial period ended 31 December 2015.

(i) ICT Distribution

ICT distribution revenue for financial period ended 31 December 2016 was RM 198.67 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 31 December 2016, ICT Distribution registered a pre-tax loss of RM 5.75 million as compared to pre-tax loss of RM 8.17 million in the corresponding financial period 2015. The lower pre-tax in financial period 2016 as compared to financial period 2015 was mainly due to reduction in the manpower costs and finance costs resulted from rationalising measures taken on certain business operations during the financial period 2016. During financial period 2016 also recorded a foreign exchange gain as compared to foreign exchange loss recorded in financial period ended 31 December 2015.

(ii) Business Software Solutions

Business software solutions revenue for the financial period ended 31 December 2016 was RM 0.63 million as compared to RM 0.65 million in the corresponding financial period 2015. Business software solutions recorded a pre-tax loss of RM 0.27 million as compared to pre-tax loss of RM 0.28 million in the corresponding financial period 2015.

(iii) Logistics Services

Logistics services revenue for the financial period ended 31 December 2016 was RM 1.32 million as compared to RM 0.28 million in the corresponding period in 2015. Logistics services recorded a pre-tax loss of RM 2.89 million as compared to pre-tax loss of RM 2.39 million in the corresponding financial period 2015. The higher pre-tax loss incurred for the financial period 2016 as compared to corresponding financial period 2015 mainly due to additional manpower costs incurred on new recruits and higher depreciation charges from additional motor vehicle acquired during the financial period 2016.

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

The current quarter (Q3 -2016/17) revenue was RM 66.26 million represents a decrease of RM 5.07 million as compared to immediate preceding quarter (Quarter 2 -2016/17) revenue of RM 71.33 million. Current quarter recorded a pre-tax loss of RM 3.06 million as compared to a pre-tax loss of RM 3.10 million for the immediate preceding quarter. The lower pre-tax loss for the current quarter as compared to immediate preceding quarter partially due to other income of marketing funds received during the quarter as compared to immediate preceding quarter.

**B3 Prospects**

Given the uncertainties in the global economy, the Group expects domestic economic environment to remain competitive and challenging with weak consumer sentiment. The Board remains vigilant of its performance for the next quarter and will take the necessary measures to improve the overall performance.

**B4 Profit Forecast/Profit Guarantee**

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

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

**NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**B5 Taxation**

	Current Quarter Ended 31/12/2016 RM'000	To-Date Ended 31/12/2016 RM'000
Income tax :		
- Current year	-	-
- Over/ (under) provision in prior year	-	-
	<hr/>	<hr/>
-Deferred tax	-	-
	<hr/>	<hr/>
	<hr/>	<hr/>

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 16 February 2017 (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**").

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

**NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 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.

(e) On 30 November 2016, TA Securities on behalf of the MMAG announced that MITI has, vide its letter dated 29 November 2016 informed that it has no objection on the proposal to meet the Bumiputera Equity Requirement via the Proposed Special Bumiputera Issue.

In addition, MITI must be informed if there are changes to the Proposed Special Bumiputera Issue involving the number of Bumiputera Share to be issued and the percentage of Bumiputera shareholding. MMAG is to inform MITI upon completion of the Proposed Special Bumiputera Issue.

(f) On 22 December 2016, TA Securities on behalf of the MMAG announced that Bursa Securities has, vide its letter dated 21 December 2016, approved the following:

- (i) The Proposed Share Consolidation;
- (ii) Listing of and quotation of 36,363,600 MMAG Shares of RM0.20 each after the Proposed Par Value Reduction and the Proposed Share Consolidation pursuant to the Proposed Debt Settlement;
- (iii) Listing of and quotation for up to 28,855,000 Bumiputera Shares after the Proposed Debt Settlement pursuant to the Proposed Special Bumiputera Issue;
- (iv) Listing of and quotation for up to 151,834,154 Rights Shares to be issued after the Proposed Special Bumiputera Issue pursuant to the Proposed Right Issue of Shares with Warrants;
- (v) Admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for up to 227,751,231 Warrants to be issued pursuant to the Proposed Rights Issue of Shares with Warrants;
- (vi) Admission to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for up to 607,336,618 ICPS after the Proposed Special Bumiputera Issue pursuant to the Proposed Right Issue of ICPS;
- (vii) Listing of and quotation for up to 227,751,231 new MMAG Shares arising from the exercise of the Warrants; and
- (viii) Listing of and quotation for up to 607,336,618 new MMAG Shares arising from the conversion of the ICPS.

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

**NOTES TO THE QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

**B6 Corporate proposal (Cont'd)**

- (f) The approval by Bursa Securities for the Proposed Debt Settlement, Proposed Special Bumiputera Issue, Proposed Rights Issue of Shares with Warrants and Proposed Rights Issue of ICPS is subject to the following conditions:
- (a) MMAG and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Par Value Reduction, Proposed Share Consolidation, Proposed Debt Settlement, Proposed Special Bumiputera Issue, Proposed Rights Issue of Shares with Warrants and Proposed Rights Issue of ICPS.
  - (b) MMAG and TA Securities are to inform Bursa Securities upon the completion of the Proposed Par Value Reduction, Proposed Share Consolidation, Proposed Debt Settlement, Proposed Special Bumiputera Issue, Proposed Rights Issue of Shares with Warrants and Proposed Rights Issue of ICPS, respectively;
  - (c) MMAG and TA Securities are to furnish Bursa Securities with a certificate true copy of the resolutions passed by the shareholders approving the Proposed Par Value Reduction, Proposed Share Consolidation, Proposed Debt Settlement, Proposed Special Bumiputera Issue, Proposed Rights Issue of Shares with Warrants and Proposed Rights Issue of ICPS prior to the quotation;
  - (d) MMAG and TA Securities are to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Par Value Reduction, Proposed Share Consolidation, Proposed Debt Settlement, Proposed Special Bumiputera Issue, Proposed Rights Issue of Shares with Warrants and Proposed Rights Issue of ICPS are completed; and
  - (e) MMAG is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed (pursuant to the exercise of the Warrants and conversion of the ICPS) as at the end of each quarter together with a detailed computation of listing fees payable.
- (g) On 29 December 2016, TA Securities on behalf of the MMAG announced that Securities Commission ("SC") has, vide its letter dated 21 December 2016, (which was received on 29 December 2016) approved the applications to the SC in relation to the Proposed Special Bumiputera Issue for the following:-
- (i) The resultant equity structure of MMAG pursuant to the proposed special issue of up to 28,855,000 new ordinary shares of RM 0.20 each in MMAG, representing 9.50% of its enlarged issued and paid-up share capital (after the Proposed Bumiputera Issue), to Bumiputera investors to be recognised by MITI, and
  - (ii) Proposed extension of time of 12 months (i.e. up to 20 December 2017 to comply with the Bumiputera Equity Requirement pursuant to the listing of MMAG on the ACE Market of Bursa Securities.

TA Securities is required to update the SC on the progress of the allocation of the Bumiputera Shares on a quarterly basis.

- (h) On 24 January 2017, the Company announced that MMAG extraordinary general meeting will be held on 23 February 2017 at Persoft Tower, 16th Floor, 6B Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor at 9.30 a.m.

**B7 Material litigations**

As at 16 February 2017 (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.

**B8 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 THIRD QUARTER ENDED 31 DECEMBER 2016**

**B9 Loss Per Share**

**(i) Basic Loss Per Share**

	Current Year Quarter Ended 31/12/2016	Current Year Ended 31/12/2016
Loss attributable to Owners of the Parent (RM'000)	(3,056)	(8,882)
Weighted average number of shares in issue ('000)	953,799	953,799
Basic loss per share (sen)	(0.32)	(0.93)

**(ii) Diluted Loss Per Share**

N/A	N/A
-----	-----

**B10 Disclosure of Realised And Unrealised Losses**

	As at 31/12/2016 RM'000	As at 31/3/2016 RM'000
<b>Total accumulated losses of the Group :</b>		
- Realised loss	(57,176)	(55,556)
- Unrealised loss	(387)	(427)
	(57,563)	(55,983)
Consolidated adjustments	1,945	2,684
	(55,618)	(53,299)