

MMAG HOLDINGS BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	UNAUDITED AS AT 31/3/2017 RM'000	AUDITED AS AT 31/03/2016 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	26,816	26,398
Intangible assets	8,660	10,800
Investment properties	6,411	9,163
Goodwill on consolidation	9,413	9,781
Fixed deposits with a licensed bank	1,000	1,000
	<u>52,300</u>	<u>57,142</u>
CURRENT ASSETS		
Inventories	21,133	15,307
Trade receivables	18,348	32,964
Other receivables	8,938	5,896
Deposits with licensed banks	10,208	2,649
Cash and bank balances	4,602	7,068
	<u>63,229</u>	<u>63,884</u>
TOTAL ASSETS	<u>115,529</u>	<u>121,026</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	95,380	95,380
Reserves	(49,445)	(27,394)
	<u>45,935</u>	<u>67,986</u>
Non-Controlling Interest	(302)	(199)
TOTAL EQUITY	<u>45,633</u>	<u>67,787</u>
NON CURRENT LIABILITIES		
Deferred taxation	399	387
Borrowings	7,501	8,045
	<u>7,900</u>	<u>8,432</u>
CURRENT LIABILITIES		
Trade payables	37,643	30,874
Other payables	14,880	6,287
Borrowings	9,473	7,646
	<u>61,996</u>	<u>44,807</u>
TOTAL LIABILITIES	<u>69,896</u>	<u>53,239</u>
TOTAL EQUITY AND LIABILITIES	<u>115,529</u>	<u>121,026</u>
Net Assets per share attributable to Owners of the Parent (sen)	<u>4.82</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

(Company No: 609423-V)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT	PRECEDING YEAR	CURRENT	PRECEDING YEAR
	YEAR	CORRESPONDING	YEAR TO DATE	CORRESPONDING
	QUARTER	QUARTER ENDED	ENDED	PERIOD ENDED
	ENDED	ENDED	ENDED	ENDED
	31/3/2017	31/3/2016	31/3/2017	31/3/2016
	RM'000	RM'000	RM'000	RM'000
Revenue	47,440	58,118	248,061	232,214
Cost of Sales	(47,860)	(58,797)	(243,925)	(226,557)
Gross (loss)/ profit	(420)	(679)	4,136	5,657
Other income	1,995	1,608	4,883	2,691
Gain/ (loss) on foreign exchange	(1,743)	497	(1,477)	(1,017)
Depreciation and amortisation	(1,055)	(340)	(4,439)	(2,246)
Net fair value gain / (loss) on derivatives financial li:	760	(942)	760	(942)
Gain/ (loss) on disposal of properties	-	-	112	-
Bad debts written off	(300)	(1,283)	(300)	(1,340)
(Allowance)/ write back for impairment loss on receivables	(4,496)	(144)	(4,496)	(144)
(Allowance)/ write back of allowance and (write off) for impaired inventories	(1,167)	(446)	(1,182)	(448)
Impairment loss on intangible assets	-	(460)	-	(460)
Finance costs	(192)	(393)	(1,090)	(1,715)
Other expenses	(5,888)	(4,746)	(18,381)	(18,772)
Results from operating activities	(12,506)	(7,328)	(21,474)	(18,736)
Interest income	14	14	94	53
Loss before taxation	(12,492)	(7,314)	(21,380)	(18,683)
Taxation	-	(21)	-	(21)
Loss after taxation for the period	(12,492)	(7,335)	(21,380)	(18,704)
Profit / (Loss) from discontinued operation, net of ta	28	(279)	28	(279)
	(12,464)	(7,614)	(21,352)	(18,983)
Loss attributable to:				
Owners of the parent	(12,439)	(7,382)	(21,321)	(18,723)
Non-Controlling Interest	(25)	(232)	(31)	(260)
	(12,464)	(7,614)	(21,352)	(18,983)
Basic loss per share (sen)	(1.30)	(0.77)	(2.24)	(1.96)
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

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 2017

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/3/2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/3/2016 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/3/2016 RM'000
Loss after taxation for the period	(12,464)	(7,614)	(21,352)	(18,983)
Other comprehensive income/ (loss) for the period, net of tax				
Currency translation difference	(117)	(21)	(65)	20
Total other comprehensive income/ (loss), net of tax	<u>(117)</u>	<u>(21)</u>	<u>(65)</u>	<u>20</u>
Total comprehensive loss for the period, net of tax	<u><u>(12,581)</u></u>	<u><u>(7,635)</u></u>	<u><u>(21,417)</u></u>	<u><u>(18,963)</u></u>
Total comprehensive loss attributable to :				
Owners of the parent	(12,556)	(7,403)	(21,386)	(18,703)
Non-Controlling Interest	(25)	(232)	(31)	(260)
	<u>(12,581)</u>	<u>(7,635)</u>	<u>(21,417)</u>	<u>(18,963)</u>

Note : N/A - Not Applicable

Included in cost of sales, a depreciation charges of RM 0.21 million for Q4-2016/17 (RM 0.33 million Q4-2015/16).and current year to-date depreciation charges RM 0.60 million (2015/16 : RM 0.33 million).

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

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

(Company No: 609423-V)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**

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	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	-	-	-
Strike off of subsidiary	-	(665)	-	-	-	-	(665)	(72)	(72)
Share issuance expenses	-	(665)	-	-	-	-	(665)	-	(665)
Net loss for the period	-	-	-	-	-	6,563	(665)	(72)	(737)
Foreign currency translation differences arising from a foreign subsidiary	-	-	-	-	-	(21,321)	(21,321)	(31)	(21,352)
Total comprehensive loss for the period	-	-	-	(65)	-	-	(65)	-	(65)
As at 31 March 2017	19,159	(7,900)	-	(0)	7,353	(68,057)	45,935	(302)	45,633

Balance as at 1 April 2015

95,380	19,824	(7,900)	6,563	45	7,353	(34,576)	86,689	61	86,750
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Net loss for the period

-	-	-	-	-	-	(18,723)	(18,723)	(260)	(18,983)
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Foreign currency translation differences arising from a foreign subsidiary

-	-	-	20	20	-	-	20	-	20
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Total comprehensive loss for the period

-	-	-	-	-	-	(18,723)	(18,703)	(260)	(18,963)
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As at 31 March 2016

95,380	19,824	(7,900)	6,563	65	7,353	(63,299)	67,986	(199)	67,787
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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

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**

	CURRENT YEAR TO DATE ENDED 31/3/2017 RM'000	PRECEDING YEAR TO DATE ENDED 31/3/2016 RM'000
Cash Flows From Operating Activities		
Loss before tax	(21,380)	(18,683)
Profit before tax from discontinued operation	<u>28</u>	<u>(279)</u>
	(21,352)	(18,962)
Adjustments for :		
Non-cash items	11,787	5,811
Non-operating items	<u>996</u>	<u>1,663</u>
Operating loss before working capital changes	(8,569)	(11,488)
Changes in working capital		
Inventories	(6,773)	(2,372)
Receivables	10,289	31,740
Payables	<u>14,353</u>	<u>(10,899)</u>
Cash generated/ (used in) from operations	9,300	6,981
Tax paid	(43)	(389)
Tax refunded	-	19
Interest received	94	53
Interest paid	<u>(1,089)</u>	<u>(1,715)</u>
Net cash generated/ (used in) operating activities	<u>8,262</u>	<u>4,949</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(2,904)	(3,116)
Purchase of investment properties	-	(6,553)
Acquisition of subsidiary companies	(1,211)	-
Net cash outflow arising from disposal of subsidiary	(23)	-
Development costs	-	(107)
Proceeds from disposal of property, plant and equipment	<u>2,801</u>	<u>57</u>
Net cash generated / (used in) investing activities	<u>(1,337)</u>	<u>(9,719)</u>
Cash Flows Financing Activity		
Repayment of hire purchase creditors	(650)	(430)
Net drawdown/ (repayment) of bankers' acceptance and term loans	(452)	(3,338)
Share issuance expenses	<u>(665)</u>	<u>-</u>
Net cash generated/ (used in) from financing activity	<u>(1,767)</u>	<u>(3,768)</u>
Net (decrease)/ increase in cash and cash equivalents	5,158	(8,538)
Effect of forex translation differences	(65)	20
Cash And Cash Equivalent At Beginning of Year	9,717	18,207
Cash And Cash Equivalent At End of Year	<u>14,810</u>	<u>9,689</u>
Cash and Cash Equivalents Comprise of :		
Cash and bank balances	4,602	7,040
Deposits with a licensed bank	<u>11,208</u>	<u>3,649</u>
	15,810	10,689
Fixed deposits pledged with licensed bank	<u>(1,000)</u>	<u>(1,000)</u>
	<u>14,810</u>	<u>9,689</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.

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

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's express delivery and logistics services revenue will normally affected by numerous public and festive holidays during the quarter and period under review..

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 2017

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:

	ICT Distribution RM'000	Business Software Solutions		Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Elimination RM'000	Total RM'000
		Continuing RM'000	Discontinued RM'000					
For the financial period ended 31 March 2017								
Sales to external customer	245,982	-	743	2,078	1	248,804	(743)	248,061
Inter-segment sales	-	44	-	1,379	-	1,423	(1,423)	-
Total sales	245,982	44	743	3,457	1	250,227	(2,166)	248,061
(Loss)/ profit before tax	(16,588)	(416)	28	(4,091)	(285)	(21,352)	(28)	(21,380)

	ICT Distribution RM'000	Business Software Solutions		Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Elimination RM'000	Total RM'000
		Continuing RM'000	Discontinued RM'000					
For the financial period ended 31 March 2016								
Sales to external customer	231,487	38	779	689	-	232,993	(779)	232,214
Inter-segment sales	-	381	-	66	-	447	(447)	-
Total sales	231,487	419	779	755	-	233,440	(1,226)	232,214
(Loss)/ profit before tax	(14,437)	5	(279)	(3,620)	(631)	(18,962)	279	(18,683)

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

(Company No: 609423-V)

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

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.

- (C) On 27 February 2017, the Board of Directors of MMAG announced that the Company had on 27 February 2017 entered into a Share Sale Agreement for the proposed disposal of entire equity interest in Reliance Computer Centre Sdn Bhd ("RCC") for a total consideration of RM 232,000.00 to be satisfied by settlement of RM 232,000.00 owing by the Company to RCC.

The Proposed Disposal, RCC was completed on 28 February 2017 and ceased to be wholly owned subsidiary company of MMAG.

- (D) On 3 April 2017, the Board of Directors of MMAG announced that the Company's sub-subsidiary, Ingens DSS Sdn Bhd ("IDSB") has on 3 April 2017 filed an application for striking off pursuant to Section 550 of the Companies Act, 2016 with the Companies Commission of Malaysia ("Striking Off Application").

IDSB has ceased its business operations since financial year ended 31 March 2015 and has no intention to carry on its business or operation in the future. The share capital of IDSB is RM 300,000.00. The Board of Directors of the Company 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 IDSB.

The striking off of IDSB 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 the Company for the financial year ending 31 March 2017.

- (E) On 3 April 2017, the Board of Directors of MMAG announced that the Company's sub-subsidiary, DSS Ikhlas Sdn Bhd ("DISB") has on 3 April 2017 filed an application for striking off pursuant to Section 550 of the Companies Act, 2016 with the Companies Commission of Malaysia ("Striking Off Application").

DISB has ceased its business operations since financial year ended 31 March 2014 and has no intention to carry on its business or operation in the future. The share capital of DISB is RM 10.00. The Board of Directors of the Company 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 DISB.

The striking off of DISB 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 the Company for the financial year ending 31 March 2017.

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 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
31/3/2017
RM'000

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

144,241

144,241

A13 Commitments

As at
31/3/2017
RM'000

Construction of a new two storey office with one storey warehouse
Lease of land

16,800

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.

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2017

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 2017 was RM 248.06 million represents an increase of RM 15.85 million as compared to RM 232.21 million in the corresponding financial year 2016. The increase in revenue for the current financial year was mainly due to higher revenue from ICT distribution businesses of RM 245.98 million as compared to RM 231.49 million in corresponding financial year 2016.

The Group registered a pre-tax loss of RM 21.38 million for the financial year ended 31 March 2017 as compared to pre-tax loss of RM 18.68 million in the corresponding financial year 2016. The higher pre-tax loss for the current financial year as compared corresponding financial year 2016 mainly due to higher depreciation and amortisation charges, allowance for impairment loss for bad and doubtful debts and allowance for impairment loss on slow moving inventories recognised in financial year 2017 as compared to corresponding financial year 2016.

(i) ICT Distribution

ICT distribution revenue for financial year ended 31 March 2017 was RM 245.98 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 year ended 31 March 2017, ICT Distribution registered a pre-tax loss of RM 16.59 million as compared to pre-tax loss of RM 14.44 million in the corresponding financial year 2016. The higher pre-tax loss in financial year 2017 as compared to financial year 2016 was mainly due to higher depreciation and amortisation charges, allowance for impairment loss on bad and doubtful debts and allowance for impairment loss on slow moving inventories recognised in financial year 2017 as compared to financial year 2016.

(ii) Business Software Solutions

Business software solutions revenue for the financial year ended 31 March 2017 was RM 0.74 million as compared to RM 0.82 million in the corresponding financial year 2016. Business software solutions recorded a pre-tax loss of RM 0.39 million as compared to pre-tax loss of RM 0.27 million in the corresponding financial year 2016. The higher pre-tax loss for current financial year partly attributed to lower hosting income for the current financial year as compared to previous corresponding financial year.

(ii) Logistics Services

Logistics services revenue for the financial year ended 31 March 2017 was RM 2.08 million as compared to RM 0.69 million in the corresponding year in 2016. Logistics services recorded a pre-tax loss of RM 4.09 million as compared to pre-tax loss of RM 3.62 million in the corresponding financial year 2016. The higher pre-tax loss incurred for the financial year 2017 as compared to corresponding financial year 2016 mainly due to additional manpower costs incurred on new recruits and higher depreciation charges from additional motor vehicle acquired during the financial year 2017.

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

The current quarter (Q4 -2016/17) revenue was RM 47.44 million represents a decrease of RM 18.82 million as compared to immediate preceding quarter (Quarter 3 -2016/17) revenue of RM 66.26 million. Current quarter recorded a pre-tax loss of RM 12.49 million as compared to a pre-tax loss of RM 3.06 million for the immediate preceding quarter. The higher pre-tax loss for the current quarter as compared to immediate preceding quarter mainly due to higher foreign exchange losses, allowance for impairment loss on bad and doubtful debts and higher allowance for impairment loss on slow moving inventories during current financial quarter as compared to immediate preceding quarter.

B3 Prospects

Faced with the uncertain global economy and lackluster local business environment, the Group expects the financial performance of 2017/18 will continue to be challenging. Despite the challenges ahead, the Group will step up the efforts to improve the efficiency and take prudent approaches to the day to day operations and work towards improving the Group overall business 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 FOURTH QUARTER ENDED 31 MARCH 2017

B5 Taxation

	Current Quarter Ended	To-Date Ended
	31/3/2017	31/3/2017
	RM'000	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 22 May 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**").

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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 Buniputera 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.

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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 equally 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.
- (i) On 17 February 2017, TA Securities on behalf of the MMAG announced that following amendments to the proposals in view of the Companies Act 2016 ("Act" which was gazetted on 15 September 2016 and came into effect on 31 January 2017 (with exception of Section 241 and Division 8, Part III):
- (a) **Proposed Share Capital Reduction**

The Company will proceed with the Proposed Capital Reduction pursuant to Section 116 of the Act (instead of Proposed Par Value Reduction) wherein the issued share capital of the Company will be reduced via the cancellation of the issued capital of the Company of RM 47,689,942. The Proposed Share Capital Reduction will result in the elimination of the accumulated losses of the Company at the Company level. The surplus after such elimination shall be credited to the retained earnings account of the Company, for the purposes as will be determined by the Board and as permitted under relevant and applicable laws and the M&A of the Company.
 - (b) **Proposed Increased in Authorised Share Capital**
 - (c) **Amendments to the details of the Proposed Amendments and salient terms, rights and privileges of the ICPS.**
- (j) On 23 February 2017, the Board of Directors MMAG announced that all the resolutions as set out in the Notice of Extraordinary General Meeting ("EGM") and the amended Notice dated 25 January 2017 and 17 February 2017, respectively were duly passed by way of e-polling at the EGM held on 23 February 2017.
- (k) On 21 March 2017, on behalf of the Board, TA Securities announced that the Company had, via its legal counsel, filed a petition to the High Court of Malaya Kuala Lumpur in relation to the Share Capital Reduction.

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2017**B6 Corporate proposal (Cont'd)**

- (l) On 22 May 2017, on behalf of the Board, TA Securities announced that the The High Court of Malaysia had on 22 May 2017 granted the order confirming the Share Capital Reduction. The sealed order will be extracted and office copy of the order will be lodged with the Companies Commission of Malaysia for the Share Capital Reduction to take effect.

The effective date of the Share Reduction will be announced in the due course.

B7 Material litigations

As at 22 May 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.

B9 Loss Per Share**(i) Basic Loss Per Share**

	Current Year Quarter Ended 31/3/2017	Current Year Ended 31/3/2017
Loss attributable to Owners of the Parent (RM'000)	(12,439)	(21,321)
Weighted average number of shares in issue ('000)	953,799	953,799
Basic loss per share (sen)	(1.30)	(2.24)

(ii) Diluted Loss Per Share

	N/A	N/A
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B10 Disclosure of Realised And Unrealised Losses

	As at 31/3/2017 RM'000	As at 31/3/2016 RM'000
Total accumulated losses of the Group :		
- Realised loss	(69,182)	(55,556)
-Unrealised loss	(829)	(427)
	(70,011)	(55,983)
Consolidated adjustments	1,954	2,684
	(68,057)	(53,299)