

MMAG HOLDINGS BERHAD

(Company No: 609423-V)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	UNAUDITED AS AT 31/3/2018 RM'000	AUDITED AS AT 31/03/2017 RM'000
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	33,101	26,813
Intangible assets	-	8,663
Investment properties	5,730	6,411
Goodwill on consolidation	9,413	9,413
Fixed deposits with a licensed bank	1,000	1,000
	<u>49,244</u>	<u>52,300</u>
CURRENT ASSETS		
Inventories	1,230	21,133
Trade receivables	13,476	16,194
Other receivables	5,473	11,859
Deposits with licensed banks	64,260	10,208
Cash and bank balances	3,559	4,427
	<u>87,998</u>	<u>63,821</u>
Assets classified as held for sale	1,867	-
	<u>89,865</u>	<u>63,821</u>
TOTAL ASSETS	<u>139,109</u>	<u>116,121</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	89,139	115,204
Irredeemable convertible preference shares	30,367	-
Reserves	(9,897)	(68,586)
	<u>109,609</u>	<u>46,618</u>
Non-Controlling Interest	-	(318)
TOTAL EQUITY	<u>109,609</u>	<u>46,300</u>
NON CURRENT LIABILITIES		
Deferred taxation	395	395
Hire Purchase creditors	4,529	3,186
Borrowings	3,988	4,316
	<u>8,912</u>	<u>7,897</u>
CURRENT LIABILITIES		
Trade payables	13,721	37,956
Other payables	5,444	14,495
Hire Purchase Creditors	1,097	716
Borrowings	326	8,757
	<u>20,588</u>	<u>61,924</u>
TOTAL LIABILITIES	<u>29,500</u>	<u>69,821</u>
TOTAL EQUITY AND LIABILITIES	<u>139,109</u>	<u>116,121</u>
Net Assets per share attributable to Owners of the Parent (sen)	<u>24.06</u>	<u>4.89</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 2017 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 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT		CURRENT	PRECEDING YEAR
	YEAR	PRECEDING YEAR	YEAR TO DATE	PRECEDING YEAR
	QUARTER	CORRESPONDING	ENDED	CORRESPONDING
ENDED	QUARTER ENDED	ENDED	PERIOD ENDED	
31/3/2018	31/3/2017	31/3/2018	31/3/2017	
RM'000	RM'000	RM'000	RM'000	
Revenue	23,965	49,902	141,218	250,523
Cost of Sales	(21,760)	(47,860)	(137,850)	(243,925)
Gross profit/ (loss)	2,205	2,042	3,368	6,598
Other income	(1,890)	(595)	2,552	2,293
Gain / (loss) on foreign exchange	3	(1,743)	(176)	(1,477)
Depreciation and amortisation	(7,483)	(1,055)	(10,596)	(4,439)
Net fair value gain on derivatives financial liabilities	-	760	-	760
Gain/ (loss) on disposal of properties	-	-	-	112
Bad debts written off	(633)	(300)	(650)	(300)
(Allowance)/ write back for impairment loss on receivables	(501)	(4,496)	(501)	(4,496)
(Allowance)/ write back of allowance and (write off) for impaired inventories	-	(1,167)	(1)	(1,182)
Finance costs	(151)	(192)	(660)	(1,090)
Other expenses	(2,226)	(5,969)	(11,784)	(18,462)
Results from operating activities	(10,676)	(12,715)	(18,448)	(21,683)
Interest income	664	14	732	94
Loss before taxation	(10,012)	(12,701)	(17,716)	(21,589)
Taxation	63	12	(6)	12
Loss after taxation for the year	(9,949)	(12,689)	(17,722)	(21,577)
Profit from discontinued operation, net of tax	-	28	-	28
	(9,949)	(12,661)	(17,722)	(21,549)
(Loss)/ profit attributable to:				
Owners of the parent	(9,965)	(12,548)	(18,040)	(21,430)
Non-Controlling Interest	16	(113)	318	(119)
	(9,949)	(12,661)	(17,722)	(21,549)
Basic loss per share (sen)	(2.19)	(1.28) *	(5.47)	(3.72) *
Diluted loss per share (sen)	(0.77)	N/A	(2.94)	N/A

Note : * Comparative basic loss per share have been adjusted for the share consolidation.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 31/3/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 31/3/2017 RM'000	CURRENT YEAR TO DATE ENDED 31/3/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 31/3/2017 RM'000
Loss after taxation for the year	(9,949)	(12,661)	(17,722)	(21,549)
Other comprehensive income for the year, net of tax				
Currency translation difference	-	(117)	-	(65)
Reserves on consolidation	-	127	-	127
Total other comprehensive income, net of tax	-	10	-	62
Total comprehensive loss for the year, net of tax	(9,949)	(12,651)	(17,722)	(21,487)
Total comprehensive (loss)/ Income attributable to :				
Owners of the parent	(9,965)	(12,538)	(18,040)	(21,368)
Non-Controlling Interest	16	(113)	318	(119)
	(9,949)	(12,651)	(17,722)	(21,487)

Note : N/A - Not Applicable

Included in cost of sales, a depreciation charges of RM 0.31 million for Q4-2017/18 (RM 0.21 million Q4-2016/17) and current year to-date depreciation charges RM 1.04 million (2016/17 : RM 0.60 million).

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 2017 and accompanying explanatory notes to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 MARCH 2018**

	Attributable to Equity Holders of the Company										Total equity RM'000
	Share capital RM'000	Irredeemable Convertible Preference Shares RM'000	Share premium RM'000	Merger deficit RM'000	Warrants reserve RM'000	Exchange Translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non- Controlling interests RM'000	
As at 1 April 2017	115,204	-	-	(7,900)	-	-	7,353	(68,038)	46,619	(318)	46,301
Transactions with owners:											
Capital reduction	(47,690)	-	-	-	-	-	47,690	-	-	-	-
Issuance of shares arising from debt settlement	8,000	-	-	-	-	-	-	8,000	-	-	8,000
Issuance of special Bumiputra shares	5,771	-	-	-	-	-	-	5,771	-	-	5,771
Issuance of shares arising from rights issue	-	-	-	-	-	-	-	-	-	-	-
with warrants net off shares issuance expenses	7,854	-	-	-	29,038	-	-	-	36,892	-	36,892
Issuance of Irredeemable convertible preference shares	-	30,367	-	-	-	-	-	-	30,367	-	30,367
	(26,065)	30,367	-	29,038	-	-	47,690	81,030	-	-	81,030
Total compressive (loss)/ income for the year	-	-	-	-	-	-	(18,040)	(18,040)	318	-	(17,722)
As at 31 March 2018	89,139	30,367	-	(7,900)	29,038	-	7,353	(38,368)	109,609	-	109,609
Balance 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	-	-	-
	-	-	-	-	(6,563)	-	-	6,563	-	-	-
Net loss for the year	-	-	-	-	-	-	(21,430)	(21,430)	(119)	-	(21,549)
Deconsolidation of foreign subsidiary companies	-	-	-	-	(65)	-	-	(65)	-	-	(65)
Reserve on consolidation	-	-	-	-	-	-	127	127	127	-	127
Total comprehensive loss for the year	-	-	-	-	-	(65)	(21,303)	(21,368)	(119)	-	(21,487)
Transition to no-par value regime on 31 January 2017	19,824	-	(19,824)	-	-	-	-	-	-	-	-
As at 31 March 2017	115,204	-	-	(7,900)	-	-	7,353	(68,039)	46,618	(318)	46,300

The new companies Act 2016 (the "Act"), which came into operation on 30 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to credit of the share premium become part of the Company's share capital pursuant to the transitional provision set out in Section 618 (2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use this amount for the purposes as set out in Section 618(3) of the Act, for the bonus issue pursuant to Section 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of the transition.

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 2017 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 2018

	CURRENT YEAR TO DATE ENDED 31/3/2018 RM'000	PRECEDING YEAR TO DATE ENDED 31/3/2017 RM'000
Cash Flows From Operating Activities		
Loss before tax	(17,716)	(21,589)
Profit before tax from discontinued operation	-	28
	<u>(17,716)</u>	<u>(21,561)</u>
Adjustments for :		
Non-cash items	(72)	11,801
Non-operating items	13,430	996
Operating loss before working capital changes	<u>(4,358)</u>	<u>(8,764)</u>
Changes in working capital		
Inventories	19,902	(6,788)
Receivables	8,009	8,723
Payables	(30,805)	15,029
Cash generated/ (used in) from operations	<u>(7,252)</u>	<u>8,200</u>
Tax paid	(47)	(47)
Tax refunded	12	-
Interest received	732	94
Interest paid	(660)	(1,090)
Net cash generated/ (used in) operating activities	<u>(7,215)</u>	<u>7,157</u>
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(11,239)	(2,904)
Acquisition of subsidiary companies	-	(1,011)
Disposal of subsidiary company	-	(23)
Proceeds from disposal of property, plant and equipment	149	2,801
Net cash generated / (used in) investing activities	<u>(11,090)</u>	<u>(1,137)</u>
Cash Flows Financing Activity		
Issuance of shares arising from debt settlement	8,000	-
Issuance of shares arising from special Bumiputera issue,	5,771	-
Issuance of rights issue of shares and Irredeemable convertible preference shares net off shares issuance expenses	67,259	-
Repayment of hire purchase creditors	(782)	(650)
Net drawdown/ (repayment) of bankers' acceptance and term loans	(8,759)	(452)
Net cash generated/ (used in) from financing activity	<u>71,489</u>	<u>(1,102)</u>
Net increase/ (decrease) in cash and cash equivalents	53,184	4,918
Cash And Cash Equivalent At Beginning of Year	14,635	9,717
Cash And Cash Equivalent At End of Year	<u>67,819</u>	<u>14,635</u>
Cash and Cash Equivalents Comprise of :		
Cash and bank balances	3,559	4,427
Deposits with a licensed bank	65,260	11,208
	<u>68,819</u>	<u>15,635</u>
Fixed deposits pledged with licensed bank	(1,000)	(1,000)
	<u>67,819</u>	<u>14,635</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 2017 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 2018

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 2017.

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 2017.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on and after 1 April 2017 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 2017.

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 2018

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 mobile devices and volume ICT products to resellers and retailers & act as telecommunication operators' value adding partner.
- (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
		Continued RM'000	Discontinued RM'000					
For the financial year ended 31 March 2018								
Sales to external customer	136,204	-	-	5,014	-	141,218	-	141,218
Inter-segment sales	-	-	-	1,262	-	1,262	(1,262)	-
Total sales	136,204	-	-	6,276	-	142,480	(1,262)	141,218
Profit/ (Loss) before tax	(9,534)	(386)	-	(7,308)	(488)	(17,716)	-	(17,716)

	ICT Distribution RM'000	Business Software Solutions		Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Consolidation adjustments RM'000	Total RM'000
		Continued RM'000	Discontinued RM'000					
Segment assets	67,119	719	-	16,364	172,279	256,481	(126,785)	129,696
Other unallocated assets								9,413
								139,109
Total Liabilities	105,679	597	-	11,822	3,482	121,580	(92,080)	29,500
Other unallocated assets								-
								29,500

	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
		Continued RM'000	Discontinued RM'000					
For the financial year ended 31 March 2017								
Sales to external customer	248,444	-	743	2,078	1	251,266	(743)	250,523
Inter-segment sales	-	44	-	1,379	-	1,423	(1,423)	-
Total sales	248,444	44	743	3,457	1	252,689	(2,166)	250,523
Profit/ (Loss) before tax	(16,594)	(416)	28	(4,091)	(460)	(21,533)	(28)	(21,561)

	ICT Distribution RM'000	Business Software Solutions		Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Consolidation adjustments RM'000	Total RM'000
		Continued RM'000	Discontinued RM'000					
Segment assets	119,700	2,260	-	6,540	112,366	240,866	(134,158)	106,708
Other unallocated assets								9,413
								116,121
Total Liabilities	147,366	144	-	9,139	11,399	168,048	(98,227)	69,821
Other unallocated liabilities								-
								69,821

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2018

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.

A11 Changes in the composition of the Group

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

A12 Contingent Liabilities

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

As at
31/3/2018
RM'000

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

134,486

134,486

A13 Commitments

As at
31/3/2018
RM'000

Commitments approved and contracted but not provided for :

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

10,489
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 2018

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") FOR THE ACE MARKET

B1 Financial Review for current quarter and financial year to date.

	Individual Period (4th Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 31/3/2018 RM'000	Preceding Year corresponding Quarter 31/3/2017 RM'000			Current Year Quarter 31/3/2018 RM'000	Preceding Year corresponding Quarter 31/3/2017 RM'000		
			RM'000	%	RM'000	%		
			RM'000	%	RM'000	%	RM'000	%
Revenue	23,965	49,902	(25,937)	-52%	141,218	250,523	(109,305)	-44%
Operating profits/ (Losses)	(10,676)	(12,715)	2,039	16%	(18,448)	(21,683)	3,235	15%
Profit/ (Loss) before interest and tax	(9,861)	(12,509)	2,648	21%	(17,056)	(20,499)	3,443	17%
Profit/ (Loss) before tax	(10,012)	(12,673)	2,661	21%	(17,716)	(21,561)	3,845	18%
Profit/ (Loss) after tax	(9,949)	(12,661)	2,712	21%	(17,722)	(21,549)	3,827	18%
Profit/ (Loss) Attributable to Ordinary Equity Holders of the Parent	(9,955)	(12,548)	2,583	21%	(18,040)	(21,430)	3,390	16%

The Group revenue for 4th Quarter ended 31 March 2018 was RM 23.97 million represents a decrease of RM 23.47 million as compared to RM 47.44 million in the corresponding 4th quarter ended 2017. The decrease mainly due to lower revenue from ICT distribution division of RM 22.11 million for current quarter as compared to RM 49.77 million in corresponding quarter in 2017.

The Group registered a pre-tax loss of RM 10.01 million for the 4th quarter ended 31 March 2018 as compared to pre-tax loss of RM 12.67 million in the corresponding quarter in 2017. The lower pre-tax loss for under quarter under review as compared to corresponding quarter in 2017 mainly due to higher foreign exchange loss, allowance for impairment losses for trade receivables and inventories and operating expenses recognised in corresponding 4th quarter in 2017.

The Group revenue for financial year ended 31 March 2018 was RM 141.22 million represents a decrease of RM 106.84 million as compared to RM 248.06 million in the corresponding financial year 2017. The reduction in revenue partially due to no revenue contribution from IT hardware & software distribution and services for current financial year as the Group had ceased in dealing IT hardware & software distribution and services since January 2017.

The Group registered a pre-tax loss of RM 17.72 million for the financial year ended 31 March 2018 as compared to pre-tax loss of RM 21.56 million in the corresponding year in 2017. The improvement in pre-tax loss for the current financial year as compared to corresponding financial year in 2017 mainly due to higher foreign exchange loss, allowance for impairment losses for trade receivables and inventories and operating expenses recognised in corresponding financial year 2017.

(i) ICT Distribution

ICT distribution revenue for financial year ended 31 March 2018 was RM 136.20 million. The revenue mainly derived from distribution of mobile devices, and also act as telecommunication operators' value adding partner. ICT Distribution segment registered a pre-tax loss of RM 9.53 million as compared to pre-tax loss of RM 16.59 million in the corresponding financial year 2017. The improvement in pre-tax loss in financial year 2018 was mainly due to higher foreign exchange loss, allowance for impairment losses for trade receivables and inventories and operating expenses recognised in corresponding financial year 2017.

(ii) Business Software Solutions

Business software solutions revenue for the financial year ended 31 March 2018 was RM Nil as compared to RM 0.79 million in the corresponding financial year 2017. Business software solutions recorded a pre-tax loss of RM 0.39 million as compared to pre-tax loss of RM 0.39 million in the corresponding financial year 2017. The loss incurred for the current year 2018 mainly due to write off of office equipment, depreciation charges and administrative expenses.

(iii) Logistics Services

Logistics services revenue for the financial year ended 31 March 2018 was RM 6.28 million as compared to RM 3.46 million in the corresponding year in 2017. Logistics services recorded a pre-tax loss of RM 7.31 million as compared to pre-tax loss of RM 4.09 million in the corresponding financial year 2017. The higher pre-tax loss incurred for the financial year 2018 as compared to corresponding financial year 2017 mainly because this division is still in gestation stage and more time is needed for income to catch up with the expansion expenses.

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2018

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

	Current Quarter 31/3/2018 RM'000	Immediate Preceding Quarter 31/12/2017 RM'000	Change	
			RM'000	%
Revenue	23,965	30,440	(6,475)	-21%
Operating profit/ (Loss)	(10,676)	(4,396)	(6,280)	-143%
Profit/ (Loss) before interest and tax	(9,861)	(4,231)	(5,630)	-133%
Profit/ (Loss) before tax	(10,012)	(4,384)	(5,628)	-128%
Profit/ (Loss) after tax	(9,949)	(4,405)	(5,544)	-126%
Profit/ (Loss) Attributable to Ordinary Equity Holders of the Parent	(9,965)	(4,405)	(5,560)	-126%

The current quarter (Q4 -2017/18) revenue was RM 23.97 million represents a decrease of RM 6.47 million as compared to immediate preceding quarter (Quarter 3 -2017/18) revenue of RM 30.44 million. Current quarter recorded a pre-tax loss of RM 10.12 million as compared to a pre-tax loss of RM 4.38 million the immediate preceding quarter. The higher pre-tax loss for current quarter under review mainly due higher depreciation and amortisation recognised in the current quarter as compared to immediate preceding quarter.

B3 Prospects

Faced with uncertain global economy and competitive local business environment, the Group prospects for the next financial year 2018/19 are expected to be challenging. The Group will continue the efforts to improve the revenue and profits by securing more projects and expanding the logistics businesses with the approval received from Malaysian Investment Development Authority ("MIDA") on the application of International Integrated Logistics Services ("IILS") status. This status will enables the logistics division/ subsidiary, to apply as Custom Forwarding Agent from the Royal Malaysian Customs to venture on a regional and global scale. The Group is continuously monitoring the Group's operational cost and efficiency to improve the Group overall profitability.

B4 Profit Forecast/Profit Guarantee

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

B5 Taxation

	Current Quarter Ended 31/3/2018 RM'000	Current Year To- Date Ended 31/3/2018 RM'000
Income tax :		
- Current year	69	-
- Over/ (under) provision in prior year	(6)	(6)
	<u>63</u>	<u>(6)</u>
-Deferred tax	-	-
	<u>63</u>	<u>(6)</u>

The current quarter and year-to-date no provision for taxation is calculated in respect of a profitable subsidiaries which have sufficient unutilised tax losses and no provision of taxation for subsidiaries that incurred losses.

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NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2018

B6 Corporate proposal

Status of utilisation of proceeds raised from corporate proposals (Special Bumiputera Issue, Rights Issue of Shares with Warrants and Rights Issue of Irredeemable Convertible Preference Shares) as at 31 March 2018 are as follows:

Purpose	Proposed utilisation RM'000	Actual utilisation RM'000	Intended timeframe for utilisation	Deviation RM'000	Deviation %	Remark
Expansion of Line Clear Express & Logistics Sdn Bhd	40,390	5,109	Within 36 months			
Working capital for ICT distribution business	32,706	-	Within 36 months			
Estimated expenses in relation to the Proposals	1,000	1,066	Within 2 weeks	(66)	-6.60%	Refer to note below.
	<u>74,096</u>	<u>6,175</u>		<u>(66)</u>		

Note : For the variation in the actual amount of expenses for the corporate exercises will be adjusted proportionately from the working capital for ICT distribution business of our Group.

B7 Borrowing and Debt Securities

The Group's borrowings as at 31 March 2018 are as follows:

	As at 4th Quarter ended 2017/18 (31/3/2018)					
	Long Term		Short Term		Total borrowings	
	Foreign denomination A	RM'000 denomination	Foreign denomination A	RM'000 denomination	Foreign denomination A	RM'000 denomination
<u>Secured</u>						
Term Loan and bankers' acceptance	-	3,988	-	326	-	4,314

	As at 4th Quarter ended 2016/17 (31/3/2017)					
	Long Term		Short Term		Total borrowings	
	Foreign denomination A	RM'000 denomination	Foreign denomination A	RM'000 denomination	Foreign denomination A	RM'000 denomination
<u>Secured</u>						
Term Loan and bankers' acceptance	-	4,316	-	8,757	-	13,073

During the year under review, the group's borrowings have reduced to RM 4.31 million as compared to RM 13.07 million in corresponding financial year 2016/17 with a reduction of RM 8.76 million (repayment of term loan and bankers' acceptance). The total finance costs (inclusive of hire purchase) for the year ended 31 March 2018 was RM 0.66 million as compared to RM 1.09 million in the corresponding financial year 2017.

During the financial year ended 31 March 2018, the term loan and bankers' acceptance bear interest ranging from 4.60% to 4.99% per annum.

MMAG HOLDINGS BERHAD

(Company No: 609423-V)

(Incorporated in Malaysia)

NOTES TO THE QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 MARCH 2018

B8 Material litigations

As at 23 May 2018 (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.

B10 Loss Per Share

(i) Basic Loss Per Share

	Current Year Quarter Ended 31/3/2018	Current Year To- Date Ended 31/3/2018
Loss attributable to Owners of the Parent (RM'000)	<u>(9,965)</u>	<u>(18,040)</u>
Weighted average number of shares in issue ('000)	455,502	329,945
Basic loss per share (sen)	<u>(2.19)</u>	<u>(5.47)</u>

(ii) Diluted Loss Per Share

	Current Year Quarter Ended 31/3/2018	Current Year To- Date Ended 31/3/2018
Loss attributable to Owners of the Parent (RM'000)	<u>(9,965)</u>	<u>(18,040)</u>
Weighted average number of shares in issue ('000)	455,502	329,945
Effect of dilution :		
- Warrants ('000)	227,751	77,373
- Irredeemable convertible preference shares ('000)	607,337	206,328
	<u>1,290,590</u>	<u>613,646</u>
Diluted loss per share (sen)	<u>(0.77)</u>	<u>(2.94)</u>