

**MMAG HOLDINGS BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE 2018**

	UNAUDITED AS AT 30/6/2018 RM'000	AUDITED AS AT 31/03/2018 RM'000
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	44,740	33,101
Investment properties	5,732	5,730
Goodwill on consolidation	9,413	9,413
Fixed deposits with a licensed bank	1,000	1,000
	<u>60,885</u>	<u>49,244</u>
<b>CURRENT ASSETS</b>		
Inventories	1,352	1,230
Trade receivables	3,487	14,433
Other receivables	4,975	6,007
Deposits with licensed banks	61,059	64,260
Cash and bank balances	7,499	3,559
<b>TOTAL CURRENT ASSETS</b>	<u>78,372</u>	<u>89,489</u>
Non-current asset held for sale	-	1,867
<b>TOTAL ASSETS</b>	<u>139,257</u>	<u>140,600</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	90,800	89,140
Irredeemable convertible preference shares	29,952	30,367
Reserves	(13,536)	(9,879)
<b>TOTAL EQUITY</b>	<u>107,216</u>	<u>109,628</u>
<b>NON CURRENT LIABILITIES</b>		
Deferred taxation	395	394
Hire Purchase creditors	4,849	4,532
Borrowings	B7 3,904	3,987
	<u>9,148</u>	<u>8,913</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	1,132	7,320
Other payables	20,248	13,318
Hire Purchase Creditors	1,183	1,095
Borrowings	B7 330	326
	<u>22,893</u>	<u>22,059</u>
<b>TOTAL LIABILITIES</b>	<u>32,041</u>	<u>30,972</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>139,257</u>	<u>140,600</u>
<b>Net Assets per share attributable to Owners of the Parent (sen)</b>	<u>23.12</u>	<u>24.07</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 2018 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 PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2018

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/6/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/6/2017 RM'000	CURRENT YEAR TO DATE ENDED 30/6/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/6/2017 RM'000
Revenue	8,194	48,458	8,194	48,458
Cost of Sales	(8,841)	(46,148)	(8,841)	(46,148)
<b>Gross profit/ (loss)</b>	<b>(647)</b>	<b>2,310</b>	<b>(647)</b>	<b>2,310</b>
Other income	401	1,092	401	1,092
Gain / (loss) on foreign exchange	(1)	(273)	(1)	(273)
Depreciation and amortisation	(446)	(1,057)	(446)	(1,057)
Gain/ (loss) on disposal of property	(249)	-	(249)	-
Bad debts written off	-	-	-	-
(Allowance)/ write back for impairment loss on receivables	-	-	-	-
(Allowance)/ write back of allowance and (write off) for impaired inventories	-	(1)	-	(1)
Finance costs	(140)	(134)	(140)	(134)
Other expenses	(3,041)	(3,344)	(3,041)	(3,344)
<b>Results from operating activities</b>	<b>(4,123)</b>	<b>(1,407)</b>	<b>(4,123)</b>	<b>(1,407)</b>
Interest income	466	49	466	49
<b>Loss before taxation</b>	<b>(3,657)</b>	<b>(1,358)</b>	<b>(3,657)</b>	<b>(1,358)</b>
Taxation	-	(21)	-	(21)
<b>Loss after taxation for the period</b>	<b>(3,657)</b>	<b>(1,379)</b>	<b>(3,657)</b>	<b>(1,379)</b>
<b>(Loss)/ profit attributable to:</b>				
Owners of the parent	(3,657)	(1,658)	(3,657)	(1,658)
Non-Controlling Interest	-	279	-	279
	<b>(3,657)</b>	<b>(1,379)</b>	<b>(3,657)</b>	<b>(1,379)</b>
Basic loss per share (sen)	<b>(0.79)</b>	<b>(0.17)</b>	<b>(0.79)</b>	<b>(0.17)</b>
Diluted loss per share (sen)	N/A	N/A	N/A	N/A

**MMAG HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER ENDED 30/6/2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30/6/2017 RM'000	CURRENT YEAR TO DATE ENDED 30/6/2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD ENDED 30/6/2017 RM'000
Loss after taxation for the period	(3,657)	(1,379)	(3,657)	(1,379)
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive loss for the period, net of tax</b>	<b>(3,657)</b>	<b>(1,379)</b>	<b>(3,657)</b>	<b>(1,379)</b>
<b>Total comprehensive (loss)/ income attributable to :</b>				
Owners of the parent	(3,657)	(1,658)	(3,657)	(1,658)
Non-Controlling Interest	-	279	-	279
	<b>(3,657)</b>	<b>(1,379)</b>	<b>(3,657)</b>	<b>(1,379)</b>

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

Included in cost of sales, a depreciation charges of RM 0.35 million for Q1-2018/19 (RM 0.21 million Q1-2017/18).and current year to-date depreciation charges RM 0.35 million (2017/18 : RM 0.21 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 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 2018 and accompanying explanatory notes to this interim financial statements.

**MMAG HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

		Attributable to Equity Holders of the Company															
		----- Non-Distributable -----															
		Irredeemable Convertible Preference		Warrant Reserve		Merger deficit		Revaluation reserve		Accumulated losses		Total		Non- Controlling interests		Total equity	
		Shares ("ICPS")		RM'000		RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
As at 1 April 2018		89,140	30,367	29,038	(7,900)	7,353	(38,370)	109,628	-	-	-	-	109,628	-	-	-	109,628
<u>Transactions with owners :</u>																	
Issuance of shares arising conversion of ICPS		1,660	(415)	-	-	-	-	1,245	-	-	-	-	1,245	-	-	-	1,245
Total compressive loss for the period		-	-	-	-	-	(3,657)	(3,657)	-	-	-	-	(3,657)	-	-	-	(3,657)
As at 30 June 2018		90,800	29,952	29,038	(7,900)	7,353	(42,027)	107,216	-	-	-	-	107,216	-	-	-	107,216
Balance as at 1 April 2017		115,204	-	-	(7,900)	7,353	(68,038)	46,619	(318)	-	-	-	46,301	-	-	-	46,301
<u>Transactions with owners :</u>																	
Capital reduction		(47,690)	-	-	-	-	47,690	-	-	-	-	-	-	-	-	-	-
Deconsolidation of subsidiary company		-	-	-	-	-	-	-	-	-	-	-	-	(0) *	-	-	(0)
Total comprehensive (loss)/ profit for the period		(47,690)	-	-	-	-	47,690	-	-	-	-	-	47,690	(0)	-	-	(0)
As at 30 June 2017		-	-	-	-	-	(1,658)	(1,658)	279	-	-	-	(1,379)	-	-	-	(1,379)
As at 30 June 2017		67,514	-	-	(7,900)	7,353	(22,006)	44,961	(39)	-	-	-	44,922	-	-	-	44,922

Note : \* - Amount less than RM 1,000.00

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 2018 and accompanying explanatory notes to this interim financial statements.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

	<b>CURRENT YEAR TO DATE ENDED 30/6/2018 RM'000</b>	<b>PRECEDING YEAR TO DATE ENDED 30/6/2017 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(3,657)	(1,358)
Adjustments for :		
Non-cash items	(326)	1,270
Non-operating items	<u>1,045</u>	<u>85</u>
Operating loss before working capital changes	(2,938)	(3)
Changes in working capital		
Inventories	(121)	3,864
Receivables	12,016	(14,288)
Payables	<u>1,399</u>	<u>8,519</u>
Cash generated/ (used in) from operations	<u>10,356</u>	<u>(1,908)</u>
Tax paid	(11)	(10)
Tax refunded	-	12
Interest received	466	49
Interest paid	<u>(140)</u>	<u>(134)</u>
Net-cash-generated/ (used in) operating activities	<u>10,671</u>	<u>(1,991)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(12,431)	(228)
Proceeds from disposal of property, plant and equipment	<u>1,612</u>	<u>96</u>
Net cash generated / (used in) investing activities	<u>(10,819)</u>	<u>(132)</u>
<b>Cash Flows Financing Activity</b>		
Proceeds from conversion of Irredeemable Convertible Preference Shares	1,245	-
Repayment of hire purchase creditors	(278)	(150)
Net drawdown/ (repayment) of bankers' acceptance and term loans	<u>(80)</u>	<u>(6,497)</u>
Net cash generated/ (used in) from financing activity	<u>887</u>	<u>(6,647)</u>
Net increase/ (decrease) in cash and cash equivalents	739	(8,770)
Cash And Cash Equivalent At Beginning of Period	<u>67,819</u>	<u>14,635</u>
Cash And Cash Equivalent At End of Period	<u>68,558</u>	<u>5,865</u>
<b>Cash and Cash Equivalents Comprise of :</b>		
Cash and bank balances	7,499	4,732
Deposits with a licensed bank	<u>62,059</u>	<u>2,133</u>
	<u>69,558</u>	<u>6,865</u>
Fixed deposits pledged with licensed bank	<u>(1,000)</u>	<u>(1,000)</u>
	<u>68,558</u>	<u>5,865</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 2018 and accompanying explanatory notes to this interim financial statements. page 5 of 12

**MMAG HOLDINGS BERHAD**

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**NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL 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 2018.

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 2018.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on and after 1 April 2018 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 2018.

**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**

During the quarter under review, 8,300,000 new ordinary shares were issued pursuant to the conversion of irredeemable convertible preference shares.

Other than above, 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 FIRST QUARTER ENDED 30 JUNE 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) Mobile devices and Fulfilment business ("Mobile & Fulfilment") Distribution smart devices, mobile operators' strategic 3PL and 4PL partners, fulfilment system and fulfilment market place provider and mobile retail stores.
- (ii) Logistics Services Courier & delivery and warehousing

Segmental information for the Group is presented as follows:

<u>For the financial period ended 30 June 2018</u>	Mobile & Fulfilment 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	6,049	2,145	-	8,194	-	8,194
Inter-segment sales	-	252	-	252	(252)	-
<b>Total sales</b>	<b>6,049</b>	<b>2,397</b>	<b>-</b>	<b>8,446</b>	<b>(252)</b>	<b>8,194</b>
<b>Profit/ (Loss) before tax</b>	<b>(1,616)</b>	<b>(1,801)</b>	<b>(240)</b>	<b>(3,657)</b>	<b>-</b>	<b>(3,657)</b>

	Mobile & Fulfilment RM'000	Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Consolidation adjustments RM'000	Total RM'000
Segment assets	75,472	14,086	175,418	264,976	(135,132)	129,844
Other unallocated assets						9,413
						<b>139,257</b>
Segment Liabilities	115,629	11,345	5,493	132,467	(100,426)	32,041
Other unallocated liabilities						-
						<b>32,041</b>

<u>For the financial period ended 30 June 2017</u>	Mobile & Fulfilment 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	47,585	873	-	48,458	-	48,458
Inter-segment sales	-	341	-	341	(341)	-
<b>Total sales</b>	<b>47,585</b>	<b>1,214</b>	<b>-</b>	<b>48,799</b>	<b>(341)</b>	<b>48,458</b>
<b>Profit/ (Loss) before tax</b>	<b>315</b>	<b>(2,158)</b>	<b>485</b>	<b>(1,358)</b>	<b>-</b>	<b>(1,358)</b>

	Mobile & Fulfilment RM'000	Logistics services RM'000	Other non-reportable segment RM'000	Total RM'000	Consolidation adjustments RM'000	Total RM'000
Segment assets	102,043	5,158	113,864	221,065	(113,833)	107,232
Other unallocated assets						9,413
						<b>116,645</b>
Segment Liabilities	130,415	9,916	11,323	151,654	(79,931)	71,723
Other unallocated liabilities						-
						<b>71,723</b>

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**NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 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**

On 3 July 2018, the Board of Directors of MMag Holdings Berhad ("MMag or "the Company") announced that the Company's wholly owned subsidiary company, Line Clear Express & Logistics Sdn Bhd ("Line Clear") had on 3 July 2018 entered into a Subscription Agreement ("SA") with Koli Express Pte Ltd ("Koli Express") a private company limited by shares and incorporated in Singapore which principally engaged in the courier service activities. The SA which to subscribe 45,000 new ordinary shares at a consideration of Singapore Dollar Three Hundred Thousand only (SGD 300,000.00) representing 60% of the total enlarged issued share capital of Koli Express.

The transaction had been completed on 17 July 2018.

**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 period as follows:

	As at 30/6/2018 RM'000
Corporate guarantees given to certain suppliers and financial institutions of certain subsidiary companies.	138,028
	<u>138,028</u>

**A13 Commitments**

	As at 30/6/2018 RM'000
Commitments authorised but not provided for :	
Construction of a new two storey office with one storey warehouse	879
Lease of land	<u>2,160</u>

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 FIRST QUARTER ENDED 30 JUNE 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 (1st Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 30/6/2018 RM'000	Preceding Year corresponding Quarter 30/6/2017 RM'000			Current Year Quarter 30/6/2018 RM'000	Preceding Year corresponding Quarter 30/6/2017 RM'000		
			RM'000	%			RM'000	%
Revenue	8,194	48,458	(40,264)	-83%	8,194	48,458	(40,264)	-83%
Operating profits/ (Losses)	(4,123)	(1,407)	(2,716)	-193%	(4,123)	(1,407)	(2,716)	-193%
Profit/ (Loss) before interest and tax	(3,517)	(1,224)	(2,293)	-187%	(3,517)	(1,224)	(2,293)	-187%
Profit/ (Loss) before tax	(3,657)	(1,358)	(2,299)	-169%	(3,657)	(1,358)	(2,299)	-169%
Profit/ (Loss) after tax	(3,657)	(1,379)	(2,278)	-165%	(3,657)	(1,379)	(2,278)	-165%
Profit/ (Loss) Attributable to Ordinary Liquity Holders of the Parent	(3,657)	(1,658)	(1,999)	-121%	(3,657)	(1,658)	(1,999)	-121%

The Group revenue for 1st Quarter ended 30 June 2018 was RM 8.19 million represents a decrease of RM 40.26 million as compared to RM 48.46 million in the corresponding 1st quarter ended 2018. The lower revenue for current quarter was mainly affected by cautious consumer spending sentiment before 14th General Election and the transitional period of the implementation of Goods and Service Tax ("GST") from 6% to 0% effective from 1 June 2018.

The Group registered a pre-tax loss ("PTL") of RM 3.66 million for the 1st quarter ended 30 June 2018 as compared to pre-tax loss of RM 1.36 million in the corresponding quarter in 2017. The higher pre-tax loss for the quarter was mainly due to Mobile and Fulfilment division had incurred a PTL of RM 1.62 million as compared to pre-tax profit ("PTP") of RM 0.32 million in corresponding quarter in 2017.

The Group revenue for financial period ended 30 June 2018 was RM 8.19 million represents a decrease of RM 40.26 million as compared to RM 48.46 million in the corresponding financial period 2017. The lower revenue for current period was mainly affected by cautious consumer spending sentiment before 14th General Election and the transitional period of the implementation of Goods and Service Tax ("GST") from 6% to 0% effective from 1 June 2018.

The Group registered a pre-tax loss of RM 3.66 million for the financial period ended 30 June 2018 as compared to pre-tax loss of RM 1.36 million in the corresponding financial period in 2017. The higher pre-tax loss for the period under review was mainly due to Mobile and Fulfilment division had incurred a PTL of RM 1.62 million as compared to pre-tax profit ("PTP") of RM 0.32 million in corresponding period in 2017.

(i) Mobile Devices and Fulfilment Business ("Mobile and Fulfilment")

Mobile and Fulfilment revenue for financial period ended 30 June 2018 was RM 6.05 million. The Mobile and Fulfilment division registered a pre-tax loss of RM 1.62 million as compared to pre-tax profit of RM 0.32 million in the corresponding financial period 2017. The loss incurred for the current financial period was mainly due to lower gross profit and also incurred a loss on disposal of property during the current period 2018.

(ii) Logistics Services

Logistics services revenue for the financial period ended 30 June 2018 was RM 2.40 million as compared to RM 1.21 million in the corresponding period in 2017. Logistics services recorded a pre-tax loss of RM 1.80 million as compared to pre-tax loss of RM 2.16 million in the corresponding financial period 2017. The logistics services division 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 FIRST QUARTER ENDED 30 JUNE 2018**

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

	Current Quarter 30/6/2018 RM'000	Immediate Preceding Quarter 31/3/2018 RM'000	Change	
			RM'000	%
Revenue	8,194	23,965	(15,771)	-66%
Operating profit/ (Loss)	(4,123)	(10,676)	6,553	61%
Profit/ (Loss) before interest and tax	(3,517)	(9,861)	6,344	64%
Profit/ (Loss) before tax	(3,657)	(10,012)	6,355	63%
Profit/ (Loss) after tax	(3,657)	(9,949)	6,292	63%
Profit/ (Loss) Attributable to Ordinary Equity Holders of the Parent	(3,657)	(9,965)	6,308	63%

The current quarter (Q1 -2018/19 ) revenue was RM 8.19 million represents a decrease of RM 15.77 million as compared to immediate preceding quarter (Quarter 4 -2017/18) of RM 23.97 million. Current quarter recorded a pre-tax loss of RM 3.66 million as compared to a pre-tax loss of RM 10.01 million the immediate preceding quarter. The lower pre-tax loss for current quarter under review as compared to immediate preceding quarter was mainly due higher amortisation charges for intangible assets in the immediate preceding quarter.

**B3 Prospects**

In view of the uncertainties in the global economy, the Group expects the domestic environment to remain competitive and challenging with weak consumer sentiment and which have impact to the Mobile and Fulfilment division business. For logistics services division, Line Clear had completed the subscription of 45,000 new ordinary shares representing 60% of the total enlarge issued share capital Koli Express in July 2018, notwithstanding the Group hopes that Koli Express will facilitate and support Line Clear's existing logistics service businesses and contribute positively to the Group in the near future. The Group will continue to monitor the Group's operational cost to improve the Group overall financial performance.

**B4 Profit Forecast/Profit Guarantee**

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

**B5 Taxation**

	Quarter Ended 30/6/2018 RM'000	Current Year To- Date Ended 30/6/2018 RM'000
Income tax :		
- Current year	-	-
- Over/ (under) provision in prior year	-	-
	-	-
-Deferred tax	-	-
	-	-

The current quarter and year-to-date no provision for taxation as the Group had incurred losses.

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**NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 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 30 June 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	8,042	Within 36 months			
Working capital for Mobile Devices and Fulfilment Business	32,706	12,420	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>21,528</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 Mobile devices and Fulfilment business of our Group.

**B7 Borrowing and Debt Securities**

The Group's borrowings as at 30 June 2018 are as follows:

	As at 1st Quarter ended 2018/19 ( 30/6/2018)					
	Long Term		Short Term		Total borrowings	
	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination
<u>Secured</u>						
Term Loan and bankers' acceptance	-	3,904	-	330	-	4,234

	As at 1st Quarter ended 2017/18 ( 30/6/2017)					
	Long Term		Short Term		Total borrowings	
	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination	Foreign denomination ^	RM'000 denomination
<u>Secured</u>						
Term Loan and bankers' acceptance	-	4,225	-	2,351	-	6,576

During the period under review, the group's borrowings have reduced to RM 4.23 million as compared to RM 6.58 million in corresponding financial period 2017/18 with a reduction of RM 2.35 million (repayment of term loan and bankers' acceptance). The total finance costs (inclusive of hire purchase) for the period ended 30 June 2018 was RM 0.14 million as compared to RM 0.13 million in the corresponding financial period 2017.

**MMAG HOLDINGS BERHAD**

(Company No: 609423-V)

(Incorporated in Malaysia)

**NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2018**

**B8 Material litigations**

As at 21 August 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 30/6/2018	Current Year To- Date Ended 30/6/2018
Loss attributable to Owners of the Parent (RM'000)	<u>(3,657)</u>	<u>(3,657)</u>
Weighted average number of shares in issue ('000)	460,927	460,927
Basic loss per share (sen)	<u>(0.79)</u>	<u>(0.79)</u>