

MMAG



ANNUAL REPORT
2018

My E-Fulfillment World

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If you had followed the front cover of MMag's annual report in the last 3 consecutive years, you would have noticed that the little girl has grown up to be a teenager. Instead of visualising the future world, she is now empowered with every information at her finger tips. This is the direct reflection of MMag; after years of strategizing, planning and executing, the company is a full fledged player in the courier and logistics industry.

To facilitate the business growth, MMag has invested in the warehouse space, order fulfilment systems and processes, shipping logistics and last but not least the last mile delivery capability. We are a courier company with nationwide footprints. We make it a point to set up a branch in all capital cities in every state; to make it easier for customers to send and collect parcels. Apart from fleets of vehicles, we will move into a brand new 200,000 sq.ft. warehouse cum office space which will be equipped with the latest state of technology. Combining this space and all branches, we will have a total warehouse space of 300,000 sqft.

The group has also completed a RM74 mil corporate exercise through renounceable rights issue of new MMag shares and new irredeemable convertible preference shares in Dec 2017. And the good news is that we achieved more than 100% take up rate. With these additional funds, we will invest into the business, via own expansion and/or M&A.

MMag is also embarking on another big on-demand delivery platform project that caters to the hectic lifestyle of consumers or companies that require dedicated/personalised services. They would not hesitate to entrust a third-party company to deliver goods on their behalf. Just to name a few, the on-demand delivery platform comes with collection point and e-wallet functionalities.

I would like to take this opportunity to thank everyone at MMag for their dedication in transforming this company in the last few years. Yes, it was a tiring exercise but it was all worth it. I would also like to express my thanks to the Board of Directors and all our dedicated employees as well as business partners and shareholders for their continued support, diligence, professionalism and contributions towards the Group.

Thank you.

DATO' JOHARI BIN YAHYA

Independent

Non-Executive Chairman



CHAIRMAN'S STATEMENT

DIRECTORS' STATEMENT

Esteemed Shareholders;

Welcome to a newest fully integrated supply chain and e-fulfilment company.

We always put customers' requirements and expectations at the centre of everything that we do. Addressing customers' needs in the e-commerce business world cannot just rely on the conventional delivery method, we have built a home-grown on-demand delivery platform that caters for the B2B and B2C customers. In addition, we have also increased the digital capabilities of the company; to empower customers to act and send commands via web and apps as well as to make delivery payment in multiple modes; in the form of cash handling and cashless payment instruments.

Stay tuned for more development from all of us.

Kenny Khoo, Wong Eng Su & Jeff Chong



BOARD OF DIRECTORS



DATO' JOHARI BIN YAHYA
Independent
Non-Executive Chairman



WONG ENG SU
Managing Director



CHONG KOON MENG (JEFF)
Executive Director



CHAN SWEE YING
Non-Independent
Non-Executive Director



LIM SIEW PING
Non-Independent
Non-Executive Director



LEONG KAM SOON
Independent
Non-Executive Director



THAM KAH YONG
Independent
Non-Executive Director

DIRECTOR'S PROFILE



DATO' JOHARI BIN YAHYA
*Independent
Non-Executive Chairman*

Nationality: Malaysian **Age:** 65 **Gender:** Male

Date of Appointment as Director of MMag: 29 May 2014

Remuneration Committee (Chairman)

Audit Committee (Member)

Nomination Committee (Member)

Number of Board Meetings Attended During the Year: 5/5

QUALIFICATION

He holds a Diploma in Police Sciences from the National University of Malaysia, having graduated in 1997.

WORKING EXPERIENCE/OCCUPATION

Dato' Johari was appointed as an Independent Non-Executive Chairman of the Company on 29 May 2014.

He has more than 33 years of working experience in the Royal Malaysia Police Force (RMPF) and is currently the CEO of DJ Protective Consultancy Services Sdn Bhd, providing protection and security services to a wide range of clients.

Dato' Johari retired from the RMPF in July 2011 with his last position as Principal Assistant Director, Serious Crimes Division (D9) CID Bukit Aman Kuala Lumpur, playing an active role in managing commercial hijacking crimes. Prior to that, he was the Head of Serious Crime Division, Kuala Lumpur Police and also assumed the role of OCPD and Community Policing, managing the Police District of Central Malacca and Johor Bahru. He was actively involved in curbing commercial crimes in these 2 states.

Dato' Johari's early formative years in the RMPF was spent in the Special Action Force (UTK- Unit Tindakhas) where he remained for nearly 18 years. Dato' rose up to the position of Deputy Commander during his stint here. His specialized professional experience in Security and Policing was developed from his years in this department where he performed various challenging roles in protective security services to VVIPs.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

DIRECTOR'S PROFILE



WONG ENG SU
Managing Director

Nationality: Malaysian **Age:** 47 **Gender:** Male

Date of Appointment as Director of MMag: 3 April 2015

Number of Board Meetings Attended During the Year: 5/5

QUALIFICATION

Wong earned his Masters of Business Administration (Entrepreneurship) from Open University Malaysia in 2014. He holds a Bachelor of Business (Human Resource Management and Economics) from the University of Charles Stuart, Australia.

WORKING EXPERIENCE/OCCUPATION

Wong joined MMag in April 2015 and brings with him over 15 years of experience in the logistics industry.

Prior to joining MMag, he was an Executive Director of GD Express Carrier Berhad (GDEX) from August 2013 to April 2015. Wong also served as the Chief Operating Officer cum General Manager of Business Support Group at GDEX from 2010 to April 1, 2015. At GDEX, he was responsible for the overall business operations of the GDEX group.

His experience at GDEX includes assuming the position of Head of Customer Support HQ at GDEX in 2008 as well as the Head of Sales and Credit at GDEX from 2003 to 2008.

Wong is also the Vice President of Gutian Selangor and Kuala Lumpur Association since 2016.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

DIRECTOR'S PROFILE



CHONG KOON MENG (JEFF)
Executive Director

Nationality: Malaysian **Age:** 52 **Gender:** Male

Date of Appointment as Director of MMag: 15 July 2016

Number of Board Meetings Attended During the Year: 5/5

QUALIFICATION

Jeff Chong completed the Executive Programme/Education in Stanford University, USA and Stockholm School of Economics, Sweden. He holds a Master of Business Administration from Charles Sturt University, Australia and a Bachelor of Statistical Economics degree from National University of Malaysia ("UKM").

WORKING EXPERIENCE/OCCUPATION

Jeff joined MMag in March 2015 and was appointed as an Executive Director on 15 July 2016. He is also currently the Chief Executive Officer in the Company's wholly owned sub-subsiary, MMAG Digital Sdn Bhd since 1 March 2015.

Jeff has more than 25 years of working experience in the telecommunications and automotive industries. Before joining MMag, he was the Chief Sales and Distribution Officer (CSDO) with Ooredoo Myanmar in 2013/14. Prior to that, he held various senior positions at Maxis Berhad, cumulating with his appointment into the Senior Leadership Team (SLT) of the company. He started his career in Maxis Berhad as General Manager, SME Business. In May 2010, Jeff took on the role of Vice President, Regional Sales and Services. The following year in November, he was promoted to Vice President of Mobility Products and International Services.

Prior to joining Maxis, Jeff was with DiGi Telecommunications Sdn. Bhd. for over 10 years, in various portfolios and positions in the marketing, sales and product divisions. He started his career with Edaran Tan Chong Motor Sdn. Bhd in the car and mobile phone divisions.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

DIRECTOR'S PROFILE



CHAN SWEE YING
*Non-Independent
Non-Executive Director*

Nationality: Malaysian **Age:** 46 **Gender:** Female

Date of Appointment as Director of MMag: 29 November 2017

Number of Board Meetings Attended During the Year: 1/1

QUALIFICATION

She holds a Degree in Computer Science from University Putra Malaysia.

WORKING EXPERIENCE/OCCUPATION

Ms Chan joined MMag in November 2017, bringing with her more than 20 years of experience in the Information Technology ("IT") industry. She started her career with Oracle Malaysia in 1996 before moving on to DHL Asia Pacific IT department managing both local and regional projects in year 2005. She also assisted in the development of business plans to secure financial support from the banking institutions for the company's growth.

Ms Chan also has a wide range of experience in the Human Resources field, having assumed the role of General Manager, Human Resource for 5 years from 2010 to 2015 at an ICT group of companies.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

DIRECTOR'S PROFILE



LIM SIEW PING
*Non-Independent
Non-Executive Director*

Nationality: Malaysian **Age:** 33 **Gender:** Female

Date of Appointment as Director of MMag: 30 April 2018

Number of Board Meetings Attended During the Year:
Not applicable as just joined on 30 April 2018

QUALIFICATION

She is a Chartered Accountant (CA) with the Malaysian Institute of Accountants and a member of the Association of Chartered Certified Accountant. She holds an Advanced Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College.

WORKING EXPERIENCE/OCCUPATION

Ms Lim joined Crowe Horwath as an auditor in 2007. During her tenure in audit, she was in charge of auditing of public listed companies, private limited companies and foreign owned entities from a wide range of industries. She also led special assignments such as reporting accountants' work in initial public offerings (IPO) and financial due diligence reviews.

Ms Lim progressed on to become a finance manager in a public listed company in 2012.

Currently, she is a director of a private limited company which has recently become a licensed money lender approved by the Ministry of Housing & Local Government under the Money Lenders Act 1951.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

DIRECTOR'S PROFILE



LEONG KAM SOON

Independent Non-Executive Director

Nationality: Malaysian **Age:** 60 **Gender:** Male

Date of Appointment as Director of MMag: 4 January 2017

Audit Committee (Chairman)
Nomination Committee (Member)
Remuneration Committee (Member)

Number of Board Meetings Attended During the Year: 5/5

QUALIFICATION

Leong is a Fellow of both the Association of Chartered Certified Accountants and Chartered Institute of Management Accountants. He is also a member of the Malaysian Institute of Accountants.

WORKING EXPERIENCE/OCCUPATION

Leong served as the Deputy Director of Finance of Stamford College Berhad from 2001 before being promoted to be the Chief Financial Officer in October 2007. He held the position till September 2014 having served in Stamford College Berhad for well over 13 years before deciding to pursue a career as a freelance financial consultant.

Prior to joining Stamford College Berhad, he worked as Finance Manager for a multi-national company specialising in the manufacture of packaging material for beverage and was posted to the People's Republic of China for seven years. Leong returned to Malaysia in July 2001 and joined Stamford College Berhad on 20 August 2001 as Deputy Director of Finance. Prior to the PRC employment, he was the accountant for a subsidiary of a listed plantation group for three years.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

DIRECTOR'S PROFILE



THAM KAH YONG
Independent Non-Executive Director

Nationality: Malaysian **Age:** 63 **Gender:** Male

Date of Appointment as Director of MMag: 15 April 2011

Nomination Committee (Chairman)
Audit Committee (Member)
Remuneration Committee (Member)

Number of Board Meetings Attended During the Year: 5/5

QUALIFICATION

Tham holds a Bachelor of Economics from the University of Malaya in 1979 majoring in business administration.

WORKING EXPERIENCE/OCCUPATION

Tham was appointed as an Independent Non-Executive Director of MMag in April 2011.

He has more than 38 years of experience in the banking industry. Tham started his career as a credit officer at UOB Malaysia in 1979 for more than 4 years before taking up another appointment with Public Bank Berhad in 1983. He retired in May 2010 after 31 years of impeccable banking career serving in various capacities. He has wide experience in branch banking, credit evaluation, marketing, trade finance and credit risk management.

In June 2011, a leading local bank employed Tham on a contract basis to assist in its transformation journey to improve its business processes and strengthen the credit risk management in the middle market segment. The main focus was on asset quality and early care of loans that were showing stress in repayment. A great portion of time was focused on fraud detection and pursuing recovery thereof. He retired in December 2017 after spending six and a half years at the bank.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES OR LISTED COMPANIES

Nil

Notes:

1. None of the Directors have any family relationships with any directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest with the Company.
3. None of the Directors have any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Directors have any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

KEY MANAGEMENT



KHOO TEOW BENG (ADAM)
Chief Operating Officer

Nationality: Malaysian **Age:** 44 **Gender:** Male

Date of Appointment as Chief Operating Officer of Line Clear Logistics & Express Sdn Bhd:
15 August 2014

QUALIFICATION

Adam holds a Bachelor of Science in International Economics from the University of Arkansas.

WORKING EXPERIENCE/OCCUPATION

Adam joined MMag in 2014, bringing with him over 13 years of experience in the logistics and automotive industries. Prior to joining MMag, he was the Head of Business Group at GDEX, overseeing the Sales, Marketing, Credit Control, Claims and Compensation departments, Customer Care Centre as well as Business Support Department from 2011 till 2014. He was also attached to GD Express (Singapore) Pte Ltd from 2009 to 2011 as Head of Branch where he was responsible for the overall business operations of the said company.

Early on in his career, Adam was attached with DHL Express Sdn Bhd as an Operations Business Analyst for 3 years and later joined the automotive industry for six years.

He holds 37,500 ordinary shares in the Company as at 6th July 2018.



KHOO CHUAN WAH (KENNY)
Chief Financial Officer

Nationality: Malaysian **Age:** 43 **Gender:** Male

Date of Appointment as Chief Financial Officer of MMag:
29 October 2012

QUALIFICATION

Kenny holds a degree in Accounting and Finance (Distinction) from the University of Technology, Sydney. He is a member of the Malaysian Institute of Accountants and CPA Australia.

WORKING EXPERIENCE/OCCUPATION

Kenny joined MMag in October 2012. He has more than 15 years of experience as an auditor with PricewaterhouseCoopers Malaysia, including a two year secondment from 2004 to 2006 at PricewaterhouseCoopers London.

Kenny joined PricewaterhouseCoopers in 1997 and has an extensive experience in the areas of corporate exercises covering IPO, demerger of a listed entity, management and integration of two major companies in Malaysia, privatisation of a major listed entity, rights issue, issuance of debt securities, as well as the sale and leaseback of key assets. His other work experience includes financial due diligence, advisory, and numerous cross-border securities offering.

Kenny also sits on the Board of Directors of Sterling Progress Berhad as Finance Director.

He holds 71,208,500 ordinary shares (indirect) in the Company via his substantial interest in Marina Teguh Sdn. Bhd. as at 6th July 2018.

Notes:

1. None of key Management except Khoo Chuan Wah (Kenny) has any directorship with any public or listed companies.
2. None of the key Management has any family relationships with any directors and/or major shareholders of the Company.
3. None of the key Management has any convictions for offences within the past five years (other than traffic offences, if any).
4. None of the Management has any public sanctions and/or penalties imposed on them by any regulatory bodies during the financial year ended 31 March 2018.

CORE BUSINESS

MMag Holdings Berhad and its subsidiaries are involved in two primary businesses, namely supply chain management and fulfillment business. The business ecosystem within the group consists of a network of interlinked companies, which will dynamically interact with each other for higher productivity and efficiency level.

Supply Chain Management services:

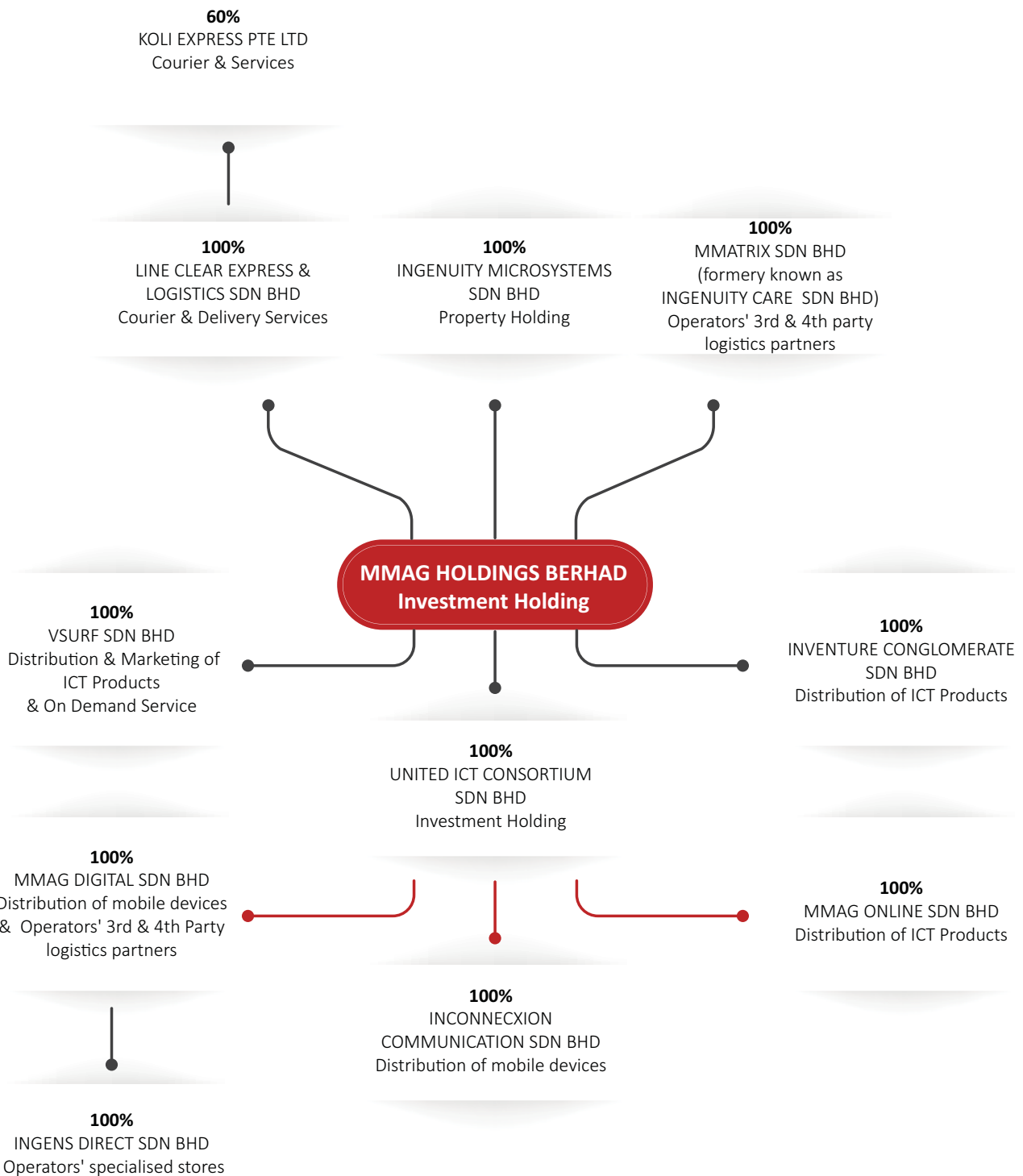
- customs clearance
- warehousing/storage
- special/security handling delivery
- air, sea and land freight
- last mile delivery
- customized services for various vertical and industries

Mobile Devices and Fulfillment Business:

- Distribution of smart devices, namely: smartphones, tablets, modems and routers
- Mobile operators' strategic 3PL and 4PL partners
- Fulfillment system provider
- Fulfillment market place provider
- Mobile retail stores



CORPORATE STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Johari Bin Yahya
Chairman, Independent Non-Executive Director

Wong Eng Su
Managing Director

Chong Koon Meng (Jeff)
Executive Director

Leong Kam Soon
Independent Non-Executive Director

Tham Kah Yong
Independent Non-Executive Director

Chan Swee Ying
*Non-Independent Non-Executive Director
(Appointed on 29.11.2017)*

Lim Siew Ping
*Non-Independent Non-Executive Director
(Appointed on 30.4.2018)*

AUDIT COMMITTEE

Chairman
Leong Kam Soon

Member
Dato' Johari Bin Yahya
Tham Kah Yong

REMUNERATION COMMITTEE

Chairman
Dato' Johari Bin Yahya

Member
Tham Kah Yong
Leong Kam Soon

NOMINATION COMMITTEE

Chairman
Tham Kah Yong

Member
Dato' Johari Bin Yahya
Leong Kam Soon

BANKERS

Alliance Bank Malaysia Berhad
AmIslamic Bank Berhad
Bank Islam (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Al-Amin Bank Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Oversea Bank (Malaysia) Berhad

CORPORATE INFORMATION (cont'd)

COMPANY SECRETARY

Lim Seck Wah (MAICSA 0799845)

LEGAL COUNSEL

Peter Ling & Van Geysel

Advocates & Solicitors
B-19-4, Tower B,
Northpoint Office Suite
Mid Valley City
No. 1 Medan Syed Putra
59200 Kuala Lumpur
Tel : + (603) 2282 3080
Fax : + (603) 2201 9880
Email : general@plvg.my

AUDITORS

Grant Thornton Malaysia

(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: +(603) 2692 4022
Fax: +(603) 2732 5119
E-mail : info@my.gt.com
Website : www.gt.com.my

PRINCIPAL PLACE OF BUSINESS

Lot 6, Jalan Pemaju U1/15
Seksyen U1
Hicom Glenmarie Industrial Park
40150 Shah Alam
Selangor Darul Ehsan
Tel : +(603) 5567 9217
Fax : +(603) 5567 9178
E-mail : info@mmag.com.my
Website : www.mmag.com.my

REGISTERED OFFICE AND SHARE REGISTRAR

Mega Corporate Services Sdn.Bhd. (187984-H)
Level 15-2 , Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: +(603) 2692 4271
Fax: +(603) 2732 5388
E-mail : info@megacorp.com.my
Website : www.megacorp.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock name : MMAG
Stock code : 0034