MEGROUP

SUSTAINABILITY REPORT FY2025

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MESSAGE FROM THE BOARD

Dear Stakeholders,

On behalf of MeGroup Ltd. (the "**Company**" or "**MeGroup**", and together with its subsidiaries, the "**Group**"), we are pleased to present our sixth annual sustainability report for the financial year ended 31 March 2025 ("**FY2025**"). This report highlights our ongoing commitment to engaging in responsible business practices, and the steps we have taken to address various environmental, social, and governance ("**ESG**") issues. The Board of Directors (the "**Board**") has strategically integrated sustainability considerations into the Group's direction, addressing evolving ESG challenges. Through our FY2024 materiality reassessment, we identified key ESG factors relevant to our operations, evaluating their significance, impact, risks, and opportunities. The Board actively oversees the management and monitoring of these factors, ensuring their integration into our decision-making. Furthermore, we are committed to fostering an inclusive and equitable workplace that values diversity and provides equal opportunities, and we are pleased with our progress in building a representative workforce.

We acknowledge the critical role businesses play in supporting international goals aimed at achieving net-zero emissions. At MeGroup, we have taken tangible steps by installing solar panels at our primary manufacturing facility in Balakong, Malaysia, and we are committed to allocating at least 15% of the land at our Northern Manufacturing Hub in Kedah, Malaysia, to vibrant green, vegetated spaces. By integrating such green spaces and environmentally friendly technologies into our facility infrastructure, we aim to significantly reduce our carbon footprint, while simultaneously contribute towards a more robust and healthier ecosystem.

Maintaining the highest standards of governance and ethical conduct, which includes robust anti-corruption measures and stringent data privacy practices, is a cornerstone principle at MeGroup. Throughout the reporting period, we have diligently strengthened the internal controls we have put in place to mitigate corruption and data privacy risks. These sustained efforts have been instrumental in helping us maintain a corruption-free culture, uphold our reputation as a responsible corporate citizen, and, crucially, safeguard the privacy and data security of our valued customers, dedicated employees, and esteemed stakeholders.

We would like to express our sincere gratitude to all our stakeholders for their continued support, meaningful engagement, and invaluable feedback. Sustainability is an ongoing and evolving journey, and our collective efforts play a vital role in driving positive and enduring change along the way. Together, we can chart a clear and purposeful path towards a more sustainable and inclusive future for all.

Sincerely,

The Board of Directors

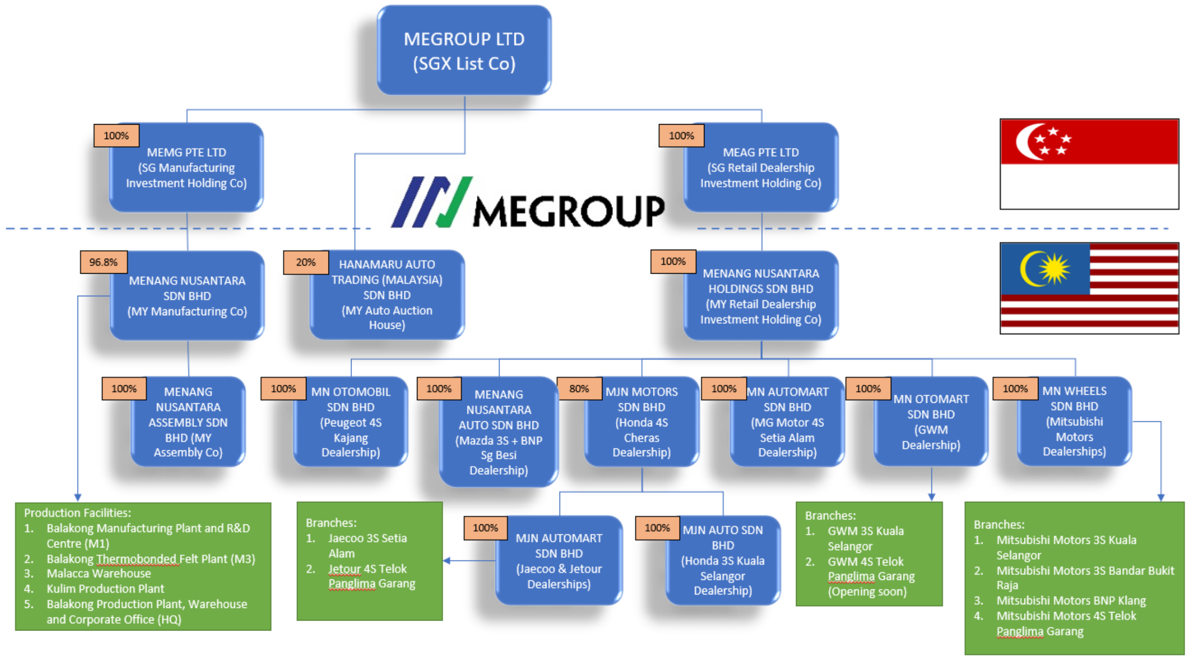
MeGroup Ltd.

ABOUT THIS REPORT

In this report, we outline MeGroup's key sustainability performance, initiatives, and progress over the past year.

Reporting Scope

Incorporated within the Republic of Singapore on 7 February 2018, the Group's headquarters are located in Singapore, with the majority of its operational activities based in Malaysia. To underscore our commitment to advancing our sustainability journey, all entities included in our financial reporting are also covered in our sustainability reporting. The following illustration provides a detailed overview of the Group's structure.



In FY2024, we reassessed our key sustainability issues and impacts that hold the most relevance and significance for both our business and our valued stakeholders. This process ensures that our sustainability reporting remains sharply focused on the areas that truly matter, enabling us to effectively address the evolving needs and expectations of our stakeholders. This year, the Group has determined that the material topics identified in FY2024 remain consistent and applicable for FY2025.

While external assurance has not been obtained for this report, we will consider pursuing it in future reporting cycles. We have, however, diligently ensured the accuracy and reliability of the data presented herein, employing a combination of both quantitative and qualitative information to provide a comprehensive and nuanced overview of our sustainability performance. Furthermore, the Group has engaged its internal auditors to conduct an internal review of the Group's sustainability reporting processes, ensuring robust oversight.

This report is published on an annual basis, with the last report having been published on the 16 July 2024. Data and information from prior reporting cycles have been included for comparative reference where available.

Reporting Standards

This report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards, which provides comprehensive guidance on sustainability reporting, to ensure the consistency, comparability, and credibility of our disclosures.

This report also adheres to the requirements set forth in the Rules 711A and 711B of the Listing Manual Section B: Rules of the Catalist ("**Catalist Rules**") of the Singapore Exchange ("**SGX**"). We also take reference from the Practice Note 7F of the Catalist Rules, which denotes the best practices that listed companies may adhere to.

We have also advanced our efforts in addressing global climate change issues and assessing the potential impacts on the Group. This year marks the first year that the Group is in full compliance with Task Force on Climate-related Financial Disclosures ("**TCFD**") recommendations.

Restatements of Information

The figures for FY2024 energy consumption and emissions have been restated. The emissions data for FY2024 was updated to reflect revised emissions factors, though the overall impact is not material. Additionally, electricity consumption and associated emissions for manufacturing operations have been restated to include on-site energy generation and to incorporate the updated emissions factors.

Feedback Channel

We believe collaboration with stakeholders is crucial to enhancing our sustainability efforts. We encourage your feedback and participation in our journey, as it helps us navigate challenges and leverage improvement opportunities. For any sustainability-related inquiries, please reach out to us at admin@mnsb.me-grp.com.

SUSTAINABILITY AT MEGROUP

We place sustainability at the core of our corporate vision and strategy, recognising the need to align economic progress with environmental protection and social responsibility. Our goal is to generate long-term stakeholder value by incorporating sustainable principles into our operations, while addressing the automotive sector's environmental and social challenges.

Sustainability Governance

The Group remains firmly committed to upholding high standards in sustainability and embedding these principles into our reporting practices. Our disclosures cover key areas such as environmental performance, social responsibility, human rights, labour conditions, and anti-corruption measures. This transparency underscores our commitment to ethical business practices and helps foster stakeholder trust.

To ensure effective execution of our sustainability agenda, we have established a clear governance structure that promotes accountability and strategic oversight. At the helm, our Board plays a pivotal role by providing strategic guidance, endorsing key sustainability matters, and allocating the necessary resources to advance our ESG goals. All Directors have also completed SGX-mandated sustainability training, ensuring they remain informed and capable of fulfilling their sustainability-related responsibilities except for Mr Wong Sai Hou who is currently undergoing the prescribed training and he will complete the required training within one year from the date of his appointment to the Board.

Supporting the Board, our Sustainability Committee — led by our Head of Engineering and R&D, Manufacturing — is tasked with formulating and driving the Group's sustainability strategy, setting measurable goals, and monitoring progress. On the ground, the Sustainability Committee works cross-functionally to implement initiatives and embed ESG considerations into daily operations. Our Human Resources Department has codified relevant policies in Employee Handbooks and Manuals, which are consistently updated and distributed to all employees.

We are committed to continual improvement in our human rights practices, regularly reviewing policies to identify enhancements and prevent violations. In projects with significant social or environmental impact, we actively engage with affected communities to ensure inclusive decision-making. Through this commitment to stakeholder consultation, sustainability risk management, and human rights due diligence, we aim to foster long-term value and contribute to a more responsible and resilient business.

Stakeholder Engagement

At MeGroup, we understand that continuous stakeholder engagement is essential to the success and sustainability of our business. We highly value the diverse viewpoints and meaningful insights our stakeholders provide, as these contributions help guide our decision-making processes and shape our sustainability goals.

Stakeholders are defined as individuals or groups who impact — or are impacted by — our business operations, as well as external parties with relevant expertise in areas material to our activities. We regularly review and update our stakeholder list to ensure that those most critical to our materiality assessment remain engaged. Maintaining open and ongoing communication with these key stakeholders is crucial to our long-term success, enabling us to better identify and prioritise the sustainability issues that matter most to them.

The Group actively engages with stakeholders through multiple channels, ensuring they are kept informed of our developments while also providing opportunities for them to share feedback. This dialogue allows us to continuously refine our sustainability approach and align our initiatives with stakeholder expectations. Looking ahead, the Group is also assessing ways to enhance our engagement with external stakeholders to deepen our understanding of their evolving priorities and concerns.

Our stakeholder engagement activities over the past year are summarised in the following table.

List of stakeholder groups	Engagement Channels/ Type of stakeholder engagement	Frequency of Engagement	Key topics/concerns	Organisation's response
Employees	- Performance appraisal - Training - Dialogues - Survey	- Yearly - Monthly - Ad-hoc - Yearly	- Career advancement opportunities - Comprehensive benefits and fair remuneration - Workplace health and safety	- Implemented HR policies to promote fair employment practices - Held regular internal meetings to review health and safety issues - Sponsored employees to attend courses, seminars, and conferences - Organised team building activities for employees
Customers	- Feedback and engagement sessions, - Dialogues, consultations, and meetings	- Yearly - Ad-hoc	- Competitive pricing - Timely delivery of products and services - Technical expertise - Stringent quality control	- Achieved ISO9001 and IATF 16949 certification as part of our quality assurance process - Held regular internal meetings to review customers' requirements and monitor the status of their orders

List of stakeholder groups	Engagement Channels/ Type of stakeholder engagement	Frequency of Engagement	Key topics/concerns	Organisation's response
Government and Regulators	- Scheduled or ad-hoc site visits - Meetings and seminars	- Ad-hoc	- Environmental and socio-economic compliance	- Ensured adherence to applicable law and regulations - Held meeting the relevant authorities as and when necessary
Shareholders and Investors	- Annual general meeting - Annual reports - Periodic announcements on SGXNET and our website	- Yearly - Yearly - Ad-hoc	- Financial returns and long-term shareholders value - Transparency and corporate governance	- Provided relevant and prompt disclosure on Group's financial announcements and corporate developments - Implemented robust risk management and corporate governance policies

Since our listing in Singapore in 2018, the Group has been an active member of the Singapore Business Federation. This engagement provides us with valuable opportunities to learn from industry peers and experts, allowing us to benchmark our performance against industry standards and stay up to date with emerging sustainability trends, technologies, and strategies.

Materiality Assessment

The materiality assessment process is fundamental to how we integrate ESG considerations into our core business strategy. By identifying the topics that matter most to our stakeholders, we are able to build a more responsible and resilient organisation—one that is equipped to navigate emerging challenges and seize new opportunities.

To determine the material ESG factors for reporting, the Group followed a structured four-step process:

1. Identification: A comprehensive list of potential ESG issues was developed based on stakeholder feedback, industry research, and relevant regulatory requirements.
2. Prioritisation: The Sustainability Committee assessed each issue's relevance by evaluating its potential business impact and importance to stakeholders.
3. Validation: The prioritised topics were then submitted to the Board for validation and endorsement, ensuring alignment with the Group's strategic direction.
4. Review: These material topics are regularly reviewed and updated in subsequent reporting cycles to reflect shifting stakeholder expectations and global sustainability developments.

In FY2024, we conducted a reassessment to determine the sustainability topics most relevant to our business and stakeholders. This exercise deepened our insight into the issues that most significantly influence our operations and stakeholder expectations. This year, the Board has concluded that our material sustainability topics remain consistent with those identified in the previous reporting year.

Material Topics	Potential and/or Actual Negative and Positive Impacts on Economy, Environment, People
Ethics and Anti-Corruption (GRI 205: 2016)	Engaging in corrupt or unethical practices carries the risk of legal penalties, fines, and litigation, with the potential for substantial financial losses and damage to reputation.
Customer Data Privacy (GRI 418: 2016)	By establishing a robust data protection system, it enables us to avert privacy breaches, effectively prevent identity theft and fraudulent activities, and maintain the trust of our stakeholders.
Employee Engagement (GRI 401: 2016)	High turnover rates drive up recruitment costs and the loss of institutional knowledge, while difficulty attracting qualified candidates hinders productivity and innovation.
Talent Development (GRI 404: 2016)	Investing in our employees' personal and professional growth yields improvements in employee satisfaction and enhances productivity, leading to increased competitiveness and growth for the Group.
Diversity and Inclusion (GRI 405: 2016)	Offering equal opportunities across the organization leads to increased employee engagement, fostering a more innovative, creative, and inclusive environment.
Workplace Health and Safety (GRI 403: 2018)	By promoting a strong safety culture across our operations, it reduces the risk of workplace accidents, injuries, and illnesses, which in turn minimises medical expenses, legal liabilities, and insurance premiums.

Material Topics	Potential and/or Actual Negative and Positive Impacts on Economy, Environment, People
Energy and GHG Emissions (GRI 302: 2016)	By adopting renewable energy and implementing greener solutions, we can minimise energy usage, thereby improving resource management and reducing greenhouse gas emissions.

TCFD RELATED DISCLOSURES

Governance

Board's oversight of climate-related risks and opportunities

The Board remains dedicated to deepening its understanding of ESG matters and actively participates in bi-annual seminars focused on sustainability topics. This ongoing engagement ensures the Board stays informed of evolving regulatory developments and best practices.

Climate-related considerations are fully integrated into the Board's oversight responsibilities. These include strategic reviews, major action plans, risk management frameworks, annual budgeting, business planning, performance target setting, monitoring of implementation and outcomes, and the evaluation of significant capital investments, acquisitions, and divestitures.

For example, our HQ office and M1 plant are currently in the process of identifying suitable vendors for the installation of solar panel systems. In addition, we are considering the integration of green building principles into office renovations and construction projects. These may include energy-efficient HVAC systems, improved insulation, and the implementation of green roofs. As retrofitting continues across our other plants, we also plan to evaluate their suitability for solar installation to further our sustainability efforts.

Management's role in assessing and managing climate-related risks and opportunities

Guided by the Board, the Sustainability Committee is responsible for developing and executing strategies to address climate-related matters, embedding climate risks and opportunities into the Group's operations and decision-making, and setting measurable targets to track climate performance. The Sustainability Committee provides the Board with annual updates on climate-related initiatives and outcomes, while also seeking input for further enhancements. To stay informed of the latest developments in climate-related issues, the Sustainability Committee actively participates in ESG and sustainability seminars, conferences, and forums, with support from external ESG consultants.

Strategy

The Group incorporates environmental risks and opportunities into its forecasting and budgeting processes. Both short-term (1–3 years) and long-term (5–10 years) horizons are considered to evaluate the potential impacts of climate change on operations, supply chains, and customer behaviour. Key risks such as evolving regulatory landscapes, growing consumer demand for electric vehicles, and the physical effects of climate-related events—are assessed based on their probability and financial implications.

In alignment with our sustainability goals, the Group prioritises energy efficiency in all new investments. For instance, when establishing new dealership outlets, we ensure that infrastructure is designed with energy-saving measures in place, such as LED lighting and inverter-based systems.

Climate-related risks and opportunities

In FY2024, we established three distinct time horizons for target setting: short-term (three years, up to FY2027), medium-term (seven years, up to FY2031), and long-term (twenty years, up to FY2044). The table below presents the climate-related risks and opportunities that have been identified as relevant to the Group's business operations, strategic planning, and financial forecasting:

Name of Risk	**Description of Risk**	**Timeframe *(short/ medium/ long)***	**Potential (Financial) Impact**	**Risk Management and Mitigation**
Disruptions in supply chain	Crop failures or disruptions in transportation routes attributable to extreme weather events may result in shortages of raw materials, increased procurement costs, and delays in production, potentially impacting revenue streams and profitability.	*Short-term*	Increase in cost	Our manufacturing plants source raw materials from a variety of regions to reduce reliance on any single geographic area susceptible to extreme weather conditions, thereby minimising the risk of disruptions in supply chain.
Reputation & Brand Risks	The growing popularity of Efficient Vehicles ("**EVs**"), means that brands in our dealership without EV models may negatively impact our overall profitability as a retailer.	*Medium-term*	Lower profitability	Our dealership offers a variety of EV models from multiple brands to meet diverse customer needs.
Market Trend	If the market continues its shift to EVs, we may find ourselves offering products that are no longer in demand by representing brands that do not currently offer EVs.	*Long-term*	Our business will not be relevant in the market	To achieve greater alignment with prevailing market trends, our dealership is expanding its portfolio of EV brands, and our manufacturing operations are endeavouring to secure projects associated with EV manufacturers.

Scenario analysis

	1.5°C scenario – Net Zero Emissions by 2050 (NZE2050)	1.8°C scenario – Announced Pledges Scenario (APS)
Source	International Energy Agency ("**IEA**") (2021)	IEA
Time Horizons	2030, 2040, 2050	2030–2050
Key Assumptions	Global net-zero by 2050; sharp reduction in fossil fuels; rapid EV and renewable uptake; carbon pricing escalates >USD 100/tonne	Reflects countries' stated climate pledges (incl. Malaysia's 2050 net-zero target)
Relevance to MeGroup	High relevance for **EV strategy**, **R&D**, and anticipating policy shifts affecting internal combustion engine ("**ICE**") vehicles	Supports **medium-term business planning**, forecasting **regulatory pathways** and demand for low-emission vehicles and mobility services
Qualitative Impacts	• Significant transition risk: regulatory pressure to phase out ICE vehicles • Shift in consumer demand to NxEV like hybrids, PHEV and EV	• Gradual regulatory tightening - Moderate demand for EVs and hybrids • Opportunity for strategic repositioning • Some policy incentives may be available
Quantitative Impacts (Examples)	1. The cost of repair for cars will go up due to new technology potentially increasing MeGroup's revenue. 2. Higher requirement for NVH components and higher quality of parts may potentially drives up demand of MeGroup's products. 3. More stringent regulatory requirements and stakeholder expectations, which may lead to increased capital investments to upgrade facilities, higher R&D expenditure for low-carbon product development, and potential write-offs or early retirement of carbon-intensive assets. 4. While these transitions entail upfront costs, they also present opportunities for innovation and long-term competitiveness.	1. The cost of repair for cars will go up due to new technology potentially increasing MeGroup's revenue. 2. Higher requirement for NVH components and higher quality of parts may potentially drives up demand of MeGroup's products. 3. Increased operating costs (e.g., utilities, insurance, infrastructure repairs) due to more frequent extreme weather events 4. Potential for market share loss to early movers offering greener alternatives.

The insights gained from scenario analysis play a vital role in shaping our strategic decision-making and financial planning. For our dealership operations, these insights enable us to shift focus toward automotive brands that align more closely with national policies, ensuring continued relevance and compliance. On the manufacturing side, the analysis guides our investments in capacity building, particularly in anticipation of increased demand for NVH (Noise, Vibration, and Harshness) products, which are essential for more sustainable and efficient vehicles.

MeGroup's strategic approach has shown strong resilience across a spectrum of climate-related scenarios. This resilience has been detailed in our TCFD Strategy section, where we outline how our business can adapt and thrive under varying climate conditions and regulatory environments.

Our manufacturing division is committed to supporting the global transition to a low-carbon economy by aligning closely with our customers' requirements for reducing CO_2 emissions. This customer-driven approach ensures that we remain responsive and proactive in contributing to emissions reductions across our operations and supply chain.

Risk management

Processes for identifying and assessing climate-related risks

Climate-related risks are identified and assessed through structured discussions involving key members of senior management, including the Executive Director, Head of Group Expansion & Strategy, Head of R&D and Engineering, and Head of Sales. While these risks are not currently embedded within a formal enterprise-wide risk management framework, the Group addresses them through periodic climate risk assessments. These assessments help pinpoint vulnerabilities across the supply chain and manufacturing operations, enabling the development of targeted contingency plans to mitigate potential disruptions.

In parallel, the Group actively cultivates partnerships with suppliers and community stakeholders to strengthen overall resilience and encourage the exchange of best practices. Climate considerations are increasingly integrated into decision-making through the setting of forward-looking sustainability goals—such as emissions reduction and a shift toward electric vehicle production—ensuring that our strategic and operational plans are aligned with long-term environmental objectives.

Processes for managing climate-related risks

The Company uses the following processes to manage climate risks:

1. Mitigate: Implementing measures to reduce the likelihood or impact of the risk, such as internal controls, pprocess improvements, or technology investments.
2. Transfer: Transference of risk to a third party, often facilitated by insurance, outsourcing agreements, or legally binding contractual agreements.
3. Accept: By acknowledging the risk and deciding not to take any action to mitigate or transfer it. This might be appropriate if the cost of mitigation exceeds the potential impact of the risk, or if the risk is deemed to be within acceptable tolerance levels.
4. Monitor: Establishing monitoring and control mechanisms to effectively manage the risk over time, which may involve risk management frameworks, regular assessments, and reporting mechanisms.

Metrics and Targets

Climate-related metrics

At present, the Group has not identified any material climate-related metrics that warrant disclosure. However, we continue to monitor developments in climate-related reporting standards and industry practices, and we remain open to incorporating relevant metrics as our climate risk assessment processes evolve and mature.

Climate-related Targets and Progress

At present, the Group is in the process of aligning its climate-related targets with specific requirements from our key customers. We do not currently have internal long-term or aspirational climate targets, as our approach is primarily customer-driven, particularly within the manufacturing segment.

Our manufacturing operations adhere to customer-mandated targets for reducing CO_2 emissions. These requirements form the basis of our current emissions reduction commitments. The dealership segment does not currently fall under any such emissions-related obligations. Our operational strategy remains aligned with customer expectations, as our business model is predominantly shaped by client requirements and specifications.

Within our manufacturing segment, we follow climate targets set by our automotive customers. For instance, we are currently guided by:

- Toyota's recommended target for a 5% CO_2 emissions reduction
- Honda's recommended target for a 4.2% CO_2 emissions reduction

There is no target set on Group basis as we employ absolute reduction targets for our emissions, initially focused on our manufacturing operations which currently targeted at 1.5%. We are in progress of collecting data based on Honda's and Toyota's metric of measurement in determining the CO_2 emissions reduction. These targets are set annually and are subject to yearly review. The baseline year for measurement is defined according to each customer agreement. We track our progress using key performance indicators ("**KPIs**") that assess the annual reduction in CO_2 emissions against the baseline and percentage targets specified by our customers. Our commitment to fulfilling these external targets is integral to our contribution to broader decarbonisation efforts across the supply chain.

Greenhouse gas emissions and related risks

In light of the heightened global focus on addressing climate change, businesses are facing increasing pressure from nations and consumers to quantify and reduce their greenhouse gas ("**GHG**") emissions. We acknowledge the imperative to assess our carbon footprint and implement mitigation strategies.

We introduced quantitative data on our GHG emissions in FY2024, for which we have adopted the calculation methodology of the Greenhouse Gas Protocol. FY2024 also serves as our baseline year, enabling us to monitor and evaluate our progress in GHG emissions management.

The following tables illustrate the total GHG emissions produced by the Group for FY2024 and FY2025. We adopted the operational control method for our consolidation approach.

Scope 1 emissions

	Fuel Type	Fuel Usage		Emissions[1] (tCO_2e)	
		FY2024	FY2025	FY2024[2]	FY2025
Stationary combustion	LPG Gas (kg)	75,600	60,000	222.22	176.36
Vehicle A	RON 95 (L)	54,973	86,664	129.39	203.98
Vehicle B	Diesel (L)	36,287	14,762	96.58	39.29
Vehicle C	Diesel (L)	22,884	14,535	60.91	38.69
Other vehicles used	RON 95 (L) - Manufacturing	47,202	77,109	111.10	181.49
	RON 95(L) - Retail	179,374	182,450	422.20	429.44
	RON 97(L) - Retail	5,447	14,224	12.82	33.48
	RON 97(L) - Manufacturing	-	3,988	-	9.39
	Diesel (L)	-	3,168	-	8.43
Total emissions				**1,055.22**	**1,120.55**

Our Scope 1 emissions come from vehicle and equipment fuel use, and refrigerants. The total overall increase in emissions was mainly due to the increase in mileage used in other vehicles for staffs travelling. Disclosure on data for refrigerants used was delayed due to resource constraint and decentralised data sources. We are currently in the process of collecting data across multiple sites and departments for the amount of refrigerant used and target to disclose them in the FY2026 sustainability report. Our retail dealership and manufacturing plants use both non-inverter air-conditioning and refrigerators with inverter compressors.

[1] Emissions factors taken from United Kingdom Department for Energy Security and Net Zero Greenhouse gas reporting: conversion factors 2024 Version 1.1 https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024
[2] FY2024 emissions amounts have been restated to account for updated emissions factors, however the difference is not significant

Scope 2 emissions

	Manufacturing segment (kWh)	*Retail segment (kWh)*	*Total electricity used (kWh)*	*Total emissions[3] (tCO_2e)*
FY2024	4,164,118[4]	1,053,173	5,217,291	4,038.18
FY2025	3,483,778	1,277,414	4,761,192	3,685.16

Our Scope 2 emissions are attributable to our purchase of electricity from the national grid.

Scope 3 emissions are excluded from the scope of this Sustainability Report.

Electricity generation

We were granted an approval for Net Energy Metering 2.0 ("**NEM**") at our M1 plant by the Sustainable Energy Development Authority ("**SEDA**") Malaysia, which administers and manages the implementation of the feed-in tariff mechanism under the Renewable Energy Act 2011 [Act 725]. This allows us to offset our electricity bills by contributing to solar energy to the grid. In FY2025, we generated 320,645 kWh of solar energy, representing 6.73% of our total electricity consumption (FY2024: 6.24%), and sold 53,240 kWh to the grid.

[3] CO_2 emissions from electricity use are calculated based on the average operating margin grid emission factor published by Malaysia's Energy Information Hub for 2022 (0.774 $kgCO_2e/kWh$)

[4] Electricity consumption and emissions for manufacturing in FY2024 have been restated to include energy generated on site and to account for the updated emissions factor

OUR FOCUS AREAS

Ethics and Anti-Corruption Practices

At MeGroup, we are committed to maintaining the highest ethical standards across all our operations. In strict compliance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and Singapore's Prevention of Corruption Act, we uphold a zero-tolerance approach towards bribery and corruption. We are dedicated to conducting all business dealings and relationships with professionalism, fairness, and the utmost integrity.

Our Code of Conduct manual provides a comprehensive framework for all employees, outlining fundamental principles such as honesty, integrity, fairness, respect for human rights, and adherence to applicable laws and regulations. All employees are expected to uphold these principles, supported by regular training programs designed to reinforce ethical conduct.

To foster a culture of accountability, our Whistleblowing Policy includes an anonymous reporting system that encourages employees and stakeholders to report any suspected corruption or unethical behaviour. We ensure whistle-blowers are protected from retaliation and commit to conducting swift and thorough investigations into all reported concerns. Employees found to have breached our anti-corruption and anti-bribery standards may face disciplinary action, including termination of employment.

In addition to our Whistleblowing Policy and Human Resource Manual, we have a robust Anti-Corruption and Anti-Bribery Policy aimed at mitigating bribery and corruption risks. This policy requires employees to complete an annual conflict of interest declaration form, ensuring transparency and accountability across the Group. The policy documents are available on the Company's website, at https://me-grp.com/wp-content/uploads/2023/05/MeGroup-Ltd_Anti-Bribery-and-Corruption-Policy-and-Procedures.pdf.

We are pleased to report zero whistleblowing reports received by the Audit Committee, zero confirmed incidents of corruption, and zero significant instances of non-compliance with laws and regulations during the past reporting period. We are dedicated to upholding this performance in the years to come.

Customer Data Privacy

Our robust data protection framework empowers us to prevent privacy breaches, identity theft, and fraudulent activities, thereby preserving the trust of our stakeholders. We are committed to complying with all applicable data privacy laws in our countries of operation, including Singapore’s Personal Data Protection Act 2012 and Malaysia’s Personal Data Protection Act 2010. Through continuous evaluation and enhancement of our data privacy protocols, we strive to stay ahead of emerging risks and evolving regulatory requirements.

To ensure the confidentiality, integrity, and availability of personal data belonging to both employees and customers, we have implemented a comprehensive suite of systems and protocols that govern the collection, handling, and storage of information throughout its entire lifecycle. We collect personal data lawfully and transparently, always obtaining consent before gathering information from customers and prospective employees.

Our rigorous data handling protocols are designed to prevent unauthorised access, disclosure, alteration, or destruction of customer data. We enforce strict access controls, ensuring that personal information is accessible only to authorised personnel on a need-to-know basis.

In FY2025, we received zero substantiated complaints regarding breaches of customer privacy or loss of customer data. We are committed to maintaining this track record through continued vigilance and adherence to all relevant laws and regulations.

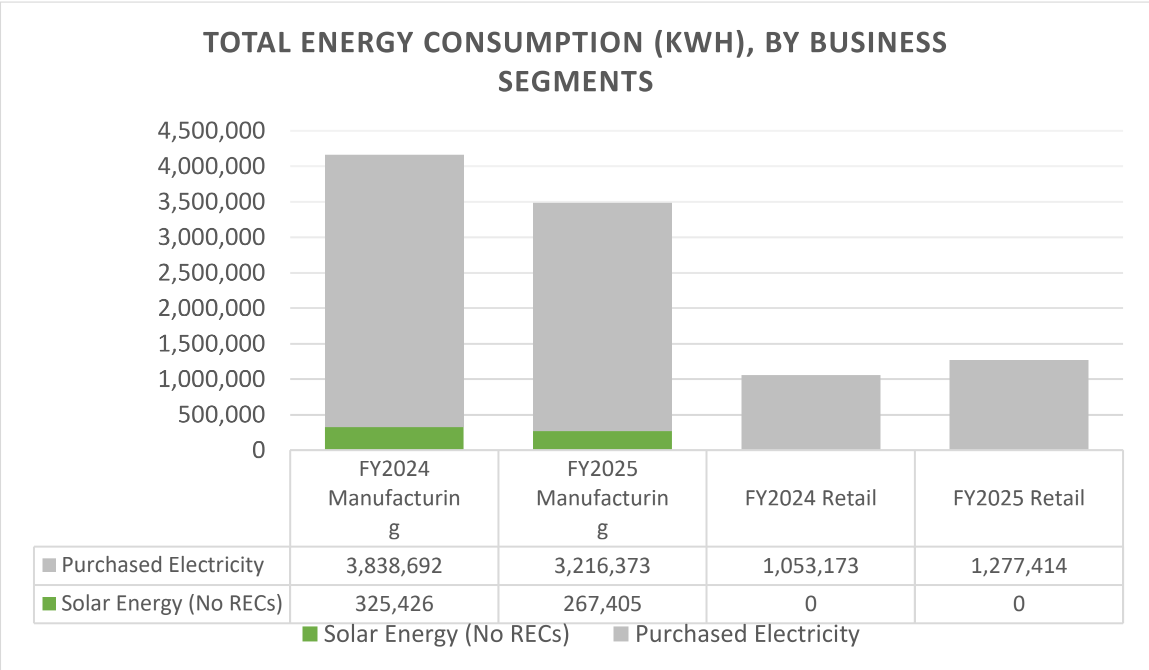
By upholding our commitment to data privacy and cybersecurity, we aim to strengthen the trust and confidence our customers place in our organisation. We firmly believe that safeguarding personal data is not only a legal and ethical obligation but also a critical component in fostering long-term, sustainable relationships with our valued customers.

Energy and GHG Emissions

Reducing our energy consumption and carbon footprint is a key pillar of our sustainability strategy. By prioritising renewable energy adoption and enhancing energy efficiency, we not only drive significant cost savings but also contribute to a more sustainable future.

The Group's GHG emissions footprint primarily comprises Scope 1 emissions from motor fuel consumption and Scope 2 emissions from electricity usage. As we continue to strengthen our internal data collection capabilities, we are committed to refining our methodology to produce more comprehensive and accurate data. This improved data will play a crucial role in identifying trends, setting meaningful reduction targets, and assessing the effectiveness of our energy management and emissions reduction initiatives.

Since the installation of on-site solar panels at our Balakong Main Manufacturing Plant in FY2022, we generated 267,405 kWh of electricity for our own consumption in FY2025 and sold 53,240 kWh to the grid. We also purchased an additional 3,216,373 kWh of electricity for manufacturing and 1,277,414 kWh of electricity for retail operations in FY2025, all of which was sourced from the national grid.[5] Overall energy consumption decreased during the fiscal year mainly due to the decreased of production activities in the manufacturing segment, which were commensurate with the decrease in our revenue.



While we did not achieve one of our goals for FY2025, which was to have self-generated energy make up at least 10% of our overall energy mix, we are delighted to announce that in FY2025, we successfully met our goal of zero incidents of non-compliance and penalties related to environmental issues, and we are committed to upholding this achievement in FY2026. Both the Board and Management remain dedicated to enhancing our environmental management systems continually, ensuring alignment with regulatory standards and customer expectations.

[5] Data Source: Utility bills

Employee Engagement

The dedication, expertise, and enthusiasm of our employees are fundamental to MeGroup's sustained business expansion, making them our most valuable asset. Failure to attract qualified candidates can hinder productivity and innovation, while high turnover rates result in increased recruitment costs and loss of institutional knowledge.

As of 31 March 2025, the Group employed a total of 172 employees for its upstream manufacturing operations (FY2024: 182 employees) and 151 employees for its downstream retail dealerships (FY2024: 184 employees). A breakdown of our employees, all based in Malaysia, by employment type and gender is as follows:

	FY2025		**FY2024**	
	Permanent, Full-time Employees[6]	**Temporary, Part-time Employees**[7]	**Permanent, Full-time Employees**	**Temporary, Part-time Employees**
Male	176	60	241	31
Female	84	3	88	6
Total	**260**	**63**	**329**	**37**

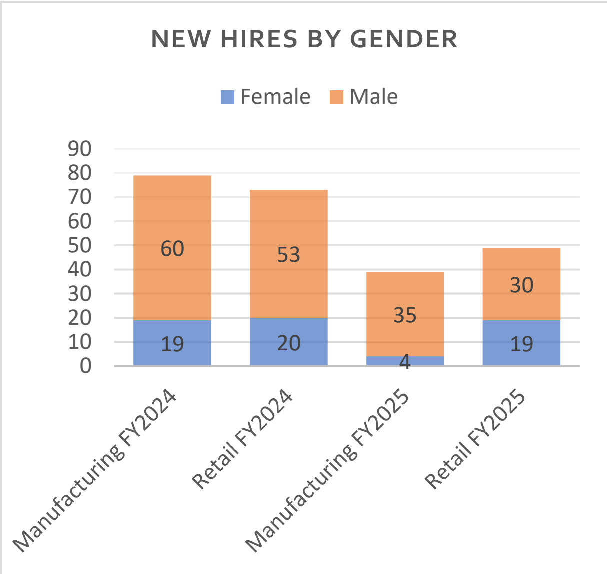
We regularly conduct internal salary benchmarking assessments to ensure our compensation packages remain equitable and competitive. Additionally, life insurance, healthcare, disability and invalidity coverage, and parental leave are provided to both full-time and temporary employees, ensuring a basic level of security and support regardless of the permanence of employment. We also provide retirement provisions and stock ownership benefits for selected full-time employees, reflecting the long-term nature of these commitments. For roles with heightened risk, certain employees are covered under Malaysia's Social Security Organisation ("**SOCSO**"), which offers social insurance protection through schemes like the Employment Injury Scheme and the Invalidity Scheme.

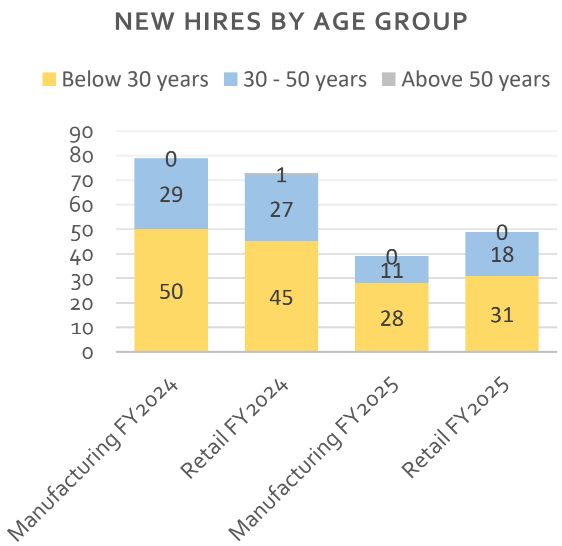
We also hire 40 workers who are not employees, consisting of sales advisors and student interns. Sales advisors are appointed by the Company to promote and sell products and services, and work on a commission basis. Interns perform a variety of tasks, including assisting with projects, gathering data, learning about the company's operations, and gaining hands-on experience in their field of study.

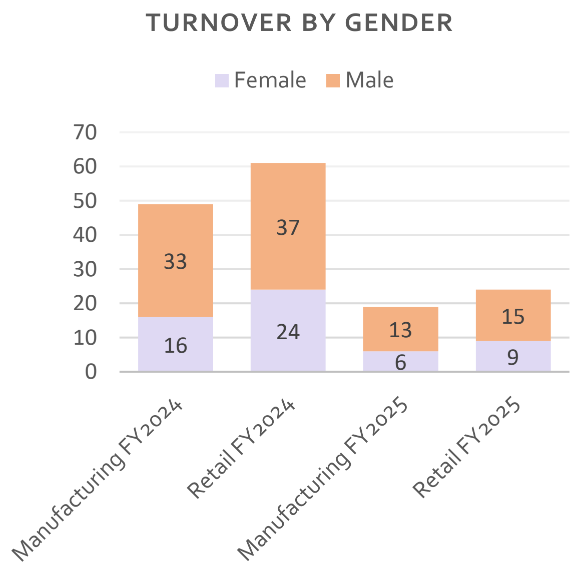
As part of our employee engagement efforts, we celebrate major festivals and hold monthly birthday celebrations to create a positive and connected work environment. We also organise regular team-building activities, recreational sports competitions, and annual dinners to strengthen teamwork and camaraderie among our employees.

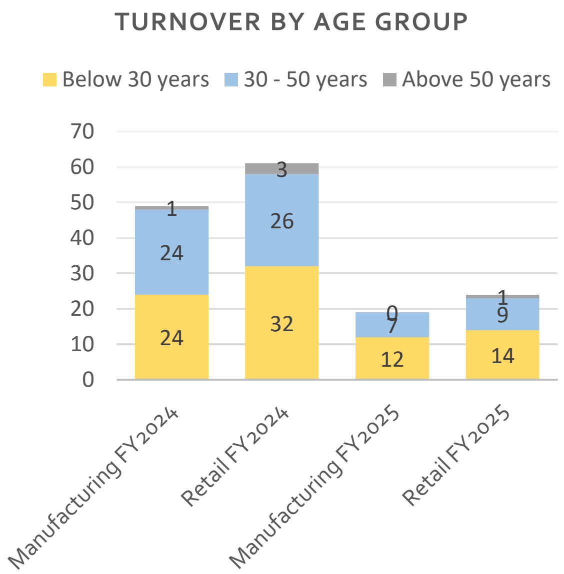
[6] Full-time employment is defined as a work arrangement where an employee is expected to work a predetermined number of hours per week, typically around 40 hours per week.
[7] Temporary or Part Time employees refer to a work arrangement where the employee's hours of work are not fixed or may be limited in duration, and their compensation are commission-based.

During the reporting period, the Group met the targets set last year with a new hire rate[8] of 25.5 % (FY2024: 43.2%) and an employee turnover rate[9] of 12.5 % (FY2024: 31.3%). These metrics will be closely monitored on a monthly basis as an indicator of the effectiveness of our recruitment and retention strategies. We have set the objective and goal to achieve a new hire rate of not exceeding 50% (inclusive of any expansion headcounts) and an employee turnover rate of not exceeding 30% in FY2026.









[8] New hire rate = total number of new hires/total number of employees
[9] Turnover rate = total number of resignees/total number of employees

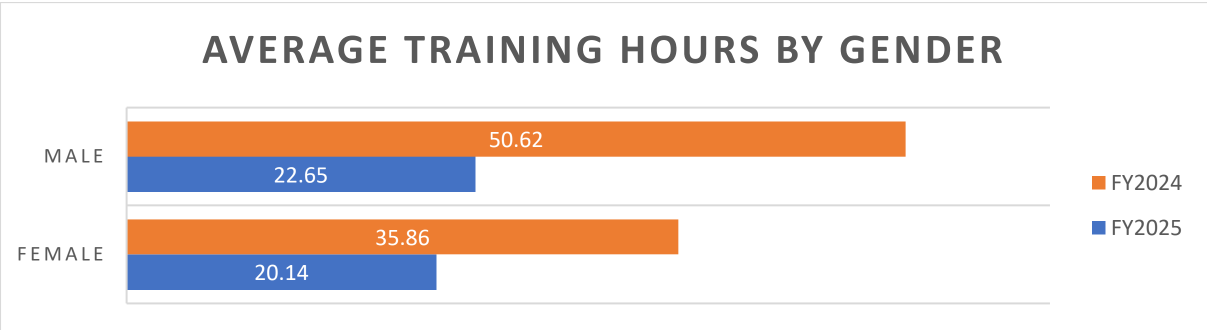
Talent Development

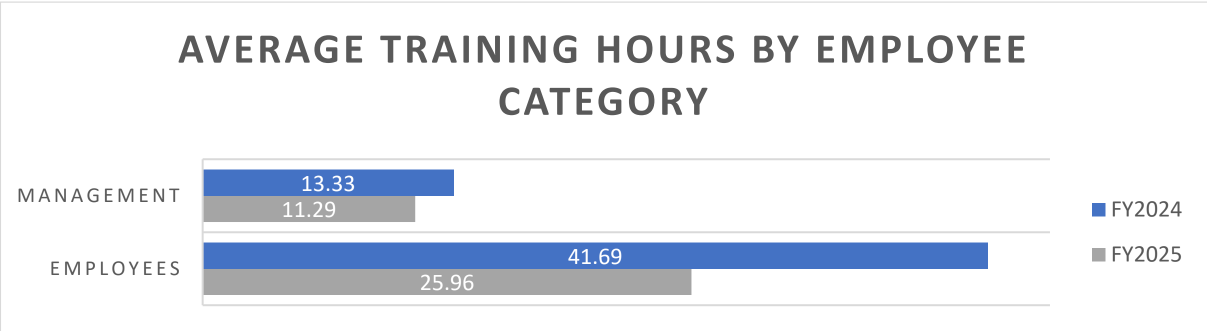
To build a future-ready workforce, we offer extensive opportunities for continuous learning and development. Investing in our employees' personal and professional growth improves employee satisfaction and enhances productivity, leading to increased competitiveness and growth for the Group. To build a future-ready workforce, we provide our employees with ample opportunities for ongoing learning and development. Our internal courses and hands-on training programs are tailored to enhance employees' technical and functional skills, enabling them to excel in their roles and contribute meaningfully to the Group's success.

In our upstream manufacturing division, training initiatives are customised to meet the specific competency requirements of individual job roles and responsibilities. This targeted approach ensures our manufacturing staff possess the necessary expertise to drive operational excellence and deliver high-quality results.

In the downstream retail sector, we collaborate with brand principals to deliver regular training sessions for our employees. These sessions keep our retail staff up to date on the latest product offerings and emerging trends, enabling them to provide informed and exceptional service to customers.

A breakdown of average training hours by gender and employee category is as follows:





Male employees experienced a 55.25% decline in average training hours, while female employees saw a 43.84% reduction. Among different employment levels, management recorded the smallest decrease at 15.30%, whereas non-management staff experienced a 37.73% drop in average training hours. This overall decline is largely attributed to a shift to on-the-job training and cost optimisation measures where certain non-mandatory training programs were streamline or merged, contributing to an overall reduction in recorded training hours.

Throughout the Group, all employees with over a year of service participate in annual performance appraisals. These evaluations provide a thorough assessment of each employee's contributions, achievements, and areas for development. Additionally, new hires who have completed six months with the Group undergo a one-time career development review, conducted either at the point of confirmation or during the appraisal period. These reviews form the foundation for fair and transparent decisions on career advancement, including promotions, salary adjustments, and annual performance bonuses.

In FY2025, 100% of employees, regardless of gender or employment category, received their performance and career development reviews. We are committed to maintaining this standard in FY2026.

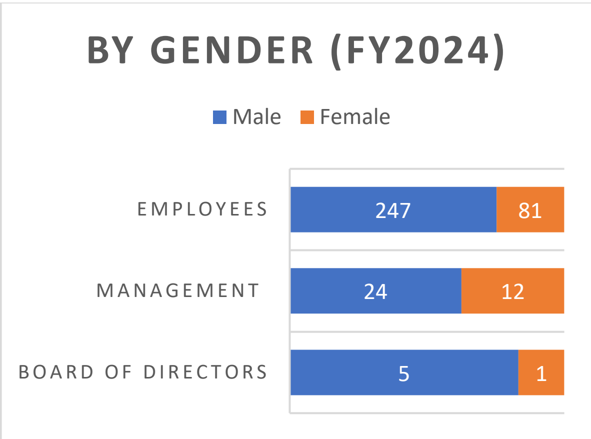
Diversity and Inclusion

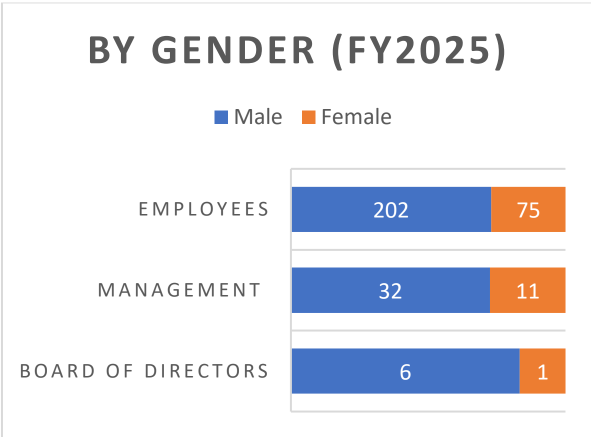
At MeGroup, we are devoted to cultivating a work environment that embraces diversity, inclusivity, and collaboration. We recognise that a variety of perspectives and experiences strengthens our organisation and drives innovation.

Our recruitment approach is grounded in meritocracy, ensuring that hiring decisions are made solely on qualifications and capabilities, without bias toward gender, race, language proficiency, or any other legally protected attribute.

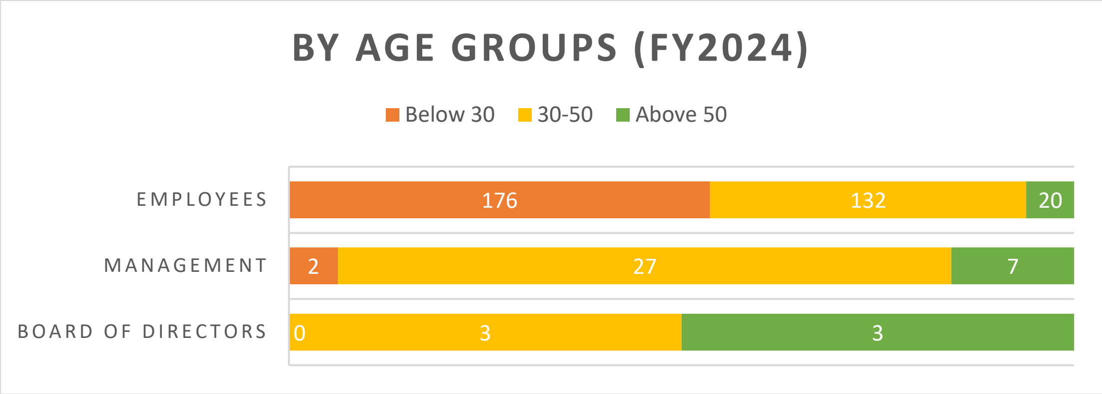
To uphold fairness and transparency, we openly communicate salary ranges in our job postings and strictly enforce a zero-tolerance policy against discriminatory practices in the hiring process.

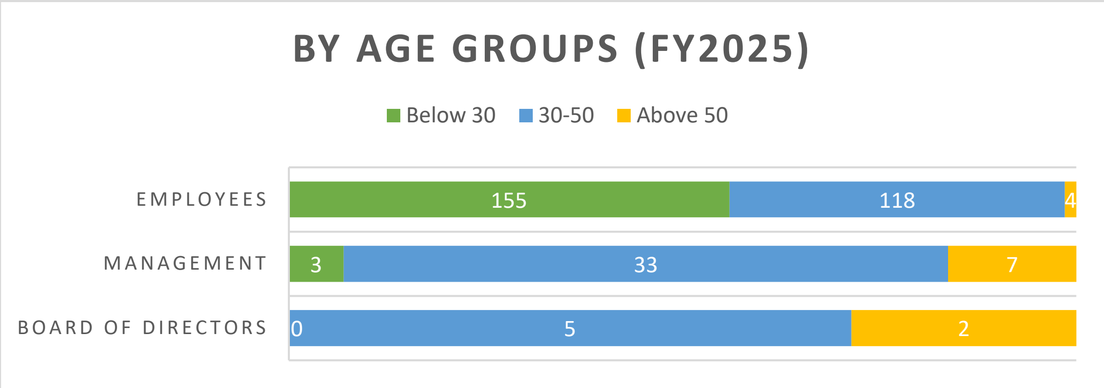
A breakdown of the Board[10], senior management and employees, by gender and age groups, is as follows:





[10] Inclusive of four independent directors, who do not have a direct employment relationship with the Company.





We acknowledge the gender imbalance prevalent in the automotive industry, where certain roles tend to have a higher male representation. However, we remain fully committed to fostering an equitable environment where all employees are valued and respected, regardless of gender or any other characteristic. We actively address these industry-wide challenges and advocate for equal opportunities across our organisation.

Our goal is to build an inclusive and diverse workforce where every individual feels empowered and supported. We are pleased to report that in FY2025, there were zero cases of discrimination reported within or against the Group, and we are committed to maintaining this record in FY2026.

We encourage employees to voice any questions or concerns to their supervisors without fear of retaliation. Any reports of workplace harassment or discrimination are promptly referred to our Human Resources department, which is responsible for conducting impartial and thorough investigations to ensure fair resolutions.

Workplace Health and Safety

Employee, contractor, and stakeholder health and safety are a primary concern at MeGroup. Over the course of our day-to-day operations, our employees are exposed a wide range of health and safety hazards, including the use of hazardous chemical substances, unsafe equipment, and machineries. Recognising the hazards inherent in our manufacturing and retail operations, such as chemical handling, machinery operation, and potential equipment risks, we are dedicated to continuously minimising the risk of accidents, injuries, and illnesses.

In alignment with our comprehensive safety management system, we are committed to achieving Workplace Safety and Health ("**WSH**") excellence by:

- Ensuring full compliance with all applicable WSH legislation, regulations, and voluntary standards, especially those set by the Department of Occupational Safety and Health ("**DOSH**").
- Continuously enhancing our WSH management performance.
- Operating and maintaining facilities to mitigate health and safety risks for employees and surrounding communities.
- Communicating our WSH policy to all relevant parties.

At MeGroup, ensuring workplace health and safety is paramount, particularly in our upstream manufacturing operations. To this end, we have established both an Employee Health and Safety Committee and a Fire Safety Committee, both staffed by departmental representatives and guided by registered safety officers. These committees oversee the implementation of our WSH management plan. We exclusively procure equipment approved by brand principals, and hold a Jabatan Keselamatan dan Kesihatan Pekerjaan license, certifying compliance with Malaysian safety standards.

To reinforce safety protocols, Heads of Departments conduct daily safety briefings. Comprehensive on-the-job training, covering fire safety, machinery operation, and PPE usage, is provided, with training needs assessed by department and aligned with legal requirements. All training is free and HRDF claimable. Work permits are also issued to ensure operational safety. Daily inspections of equipment, like press machines and forklifts, and fire safety equipment, are performed to assess readiness. Hazard Identification, Risk Assessment, and Control ("**HIRAC**") methods are used for shopfloor inspections, and approval permits manage high-risk activities. Employees are encouraged to report hazardous situations, which the Safety Committee promptly addresses.

To support the health and wellness of our permanent staff, MeGroup offers a range of initiatives, including annual in-house medical examinations and access to clinic visits. Our program further features complimentary weekend first aid training, an on-site gym, opportunities to participate in half-marathons, and weekly sports such as Zumba, badminton, pickleball, and football.

In our downstream retail dealerships, we adhere to brand-specific safety protocols. All workshop heavy equipment is annually licensed by DOSH for safety and efficiency. Our showrooms feature comprehensive fire management systems, including fire extinguishers and hydrants, and we maintain fire insurance.

We are pleased to report zero regulatory complaints regarding our WSH practices and zero cases related to workplace safety incidents in FY2025. We are committed to achieving zero regulatory complaints and workplace safety incidents in FY2026 through proactive risk control, consistent safety procedures, comprehensive training, and daily briefings, upholding our safe, incident-free workplace goal.

GRI CONTENT INDEX

Statement of Use	MeGroup Ltd. has reported with reference to the GRI Standards for the period starting 1 April 2024 and ended 31 March 2025.
GRI 1 used	GRI 1: Foundation 2021

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302-1 Energy consumption within the organisation	20
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TCFD CONTENT INDEX

Disclosure Focus Area	Recommended Disclosure	Page Reference / Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	11
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	11
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	12
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	13

Disclosure Focus Area	Recommended Disclosure	Page Reference / Remarks
where such information is material.	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	13
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.	14
	b. Describe the organisation's processes for managing climate-related risks	14
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	14
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	15
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	16 - 17
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	15