

Media Release

MeGroup bolsters Manufacturing business with new contracts and new customers

- **Awarded two new manufacturing projects by Peugeot and a Japanese automaker**
- **Expands customer base and product offering with new product supply to a major mattress manufacturer**
- **Relocates assembly plant for Mazda**
- **Explores solar power technology for energy and cost savings**

Singapore, 27 August 2020 – SGX-Catalist listed **MeGroup Ltd.** (“MeGroup” or the “Company”, and together with its subsidiaries, the “Group”) expands its Manufacturing business’ customer base and product offering through the award of two new manufacturing projects, as well as initiating a trial supply of a felt material to be used as a protection layer for mattresses to a major mattress manufacturer. The Group had also completed the relocation of its Mazda assembly plant and is exploring the use of solar energy for its manufacturing plant in a bid to reduce overhead expenses.

MeGroup’s Manufacturing business under its subsidiary, Menang Nusantara Sdn Bhd (“MNSB”), had successfully bid and been awarded two contracts to produce and supply NVH (noise, vibration and harshness) components for Peugeot and a globally renowned Japanese automaker in Malaysia. These components are currently under development and the Group targets to begin supplying them in calendar year 2021. Both manufacturing projects will continue till the end of the car model’s production lifecycle.

Leveraging on its manufacturing capabilities and technical knowledge on insulation products, the Group's trial supply of this mattress protection layer in turn increases the business' utilisation rate, and expands its product offering and customer base to include the mattress industry.

The Group had also completed the relocation of its Mazda assembly plant from Batu Kawan in Pulau Pinang to Kulim Hi-tech Park in Kedah. The shift in premises would allow MeGroup to be closer to its customer, and achieve some cost savings at the same time.

Separately, the Group in August commissioned GSPARX Sdn Bhd, a subsidiary of Malaysia's national electricity provider, Tenaga Nasional Bhd, to conduct an energy saving study on the Group's manufacturing plant. When completed, this study will reflect potential savings in electricity usage and cost that can be achieved through the use of solar energy. It will also enable the Group to evaluate and streamline operational efficiencies, reduce costs, as well as endeavour to become more environmentally friendly.

Commenting on its latest developments, **Ms Carol Wong, Executive Director of MeGroup Ltd.** said, "On top of securing two new manufacturing projects despite the challenging operating environment amid COVID-19, we are also pleased to be able to expand our product offering through the supply of materials for the mattress industry. This is a testament to our reputation of being a trusted and reliable components manufacturer. It also demonstrates our capability in applying our core expertise and know-how to other opportunities.

As our raw materials have the ability to serve a spectrum of uses, we believe that there remains a large untapped potential for its application. We will continue to explore other opportunities beyond the auto industry, and increase our manufacturing capabilities to grow MeGroup's product offering."

“On top of the above developments, we are also looking into harnessing the power of solar energy to generate green electricity within our manufacturing plant. We hope that by doing so, we will be able to reduce our carbon footprint and become more environmentally friendly,” added Ms Wong.

End.

About MeGroup (<https://me-grp.com/>)

MeGroup Ltd. is a trusted component manufacturer and dealer in the automotive industry.

Under its Manufacturing business, MeGroup specialises in manufacturing ‘noise, vibration and harshness’ (“**NVH**”) and non-NVH components primarily for the automotive industry in Malaysia. It had also diversified into supplying NVH components to Johnson Controls Hitachi, a heating, ventilation and air-conditioning (“**HVAC**”) manufacturer.

Under the Group’s Dealership business, MeGroup owns and operates i) three Peugeot dealerships; ii) two Honda dealerships; iii) one Mazda dealership; iv) one Hyundai dealership; v) one Ford dealership; and vi) one Mitsubishi Motors dealership in Malaysia.

MeGroup maintains long-standing partnerships with its manufacturing customers and is an Approved Supplier to Proton, Perodua, Honda, Mazda, another major carmaker, and Johnson Controls Hitachi. The Group also has established relationships with its dealership principals.

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*This press release has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, CIMB Bank Berhad (“**Sponsor**”) in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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