MEGROUP

MEGROUP SUSTAINABILITY REPORT 2026

Driving Sustainable Growth.
Creating Lasting Impact.

PLANET
Protecting our environment for a better tomorrow.

PEOPLE
Empowering our people and strengthening communities.

GOVERNANCE
Upholding integrity and driving responsible growth.

PARTNERSHIP
Collaborating for sustainable value creation.

RESILIENCE IN MOTION.
TOGETHER FOR A SUSTAINABLE FUTURE.

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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 seventh annual sustainability report for the financial year of 1 April 2025 to 31 March 2026 ("**FY2026**"). This report underscores MeGroup's continued commitment to responsible and sustainable business practices. Through our FY2026 materiality reassessment, we reaffirmed the key Environmental, Social and Governance ("**ESG**") factors relevant to our operations and assessing their significance, potential impacts, risks and opportunities. The Board exercises oversight of these factors, ensuring they are integrated into the Group's strategic and operational decision-making and are effectively monitored. We are also committed to fostering an inclusive and equitable workplace that embraces and values diversity while providing equal opportunities for all. The progress made to date encourages us to continue our efforts in building a workforce that is representative and reflective of our values.

Additionally, the Group will be adopting a phased approach to progressively align with the full disclosure requirements of the International Financial Reporting Standards S2 ("**IFRS S2**") Climate-related Disclosures by the International Sustainability Standards Board ("**ISSB**") by FY2031 to meet the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") reporting requirements. This report represents the inaugural year of our initiative to align with IFRS S2, starting with the disclosure of Scope 1 and Scope 2 emissions.

Recognising the importance of businesses in supporting global efforts towards net zero emissions, MeGroup has taken tangible actions to reduce its environmental footprint. These actions include installing solar panels at our primary manufacturing facility in Balakong, Malaysia and our commitment to dedicating at least 15% of the land at our Northern Manufacturing Hub in Kedah, Malaysia to landscaped green and vegetated spaces. Through integrating these green strategies and environmentally friendly technologies, MeGroup aims to lower carbon emissions while contributing to a healthier and more resilient ecosystem. While the Group has not yet established a formal net-zero target, it remains committed to strengthening its sustainability practices and will progressively work towards developing a net-zero roadmap. This will involve ongoing assessment of environmental impacts, implementation of carbon reduction initiatives and the integration of sustainability considerations into business operations over time.

Strong governance and ethical conduct remain cornerstone principles of MeGroup's operations, which are upheld through robust anti-corruption measures and stringent data privacy practices. These measures have been instrumental in supporting a corruption-free culture, allowing us to uphold our reputation as a responsible corporate citizen and safeguarding the privacy and data security of our valued customers, dedicated employees and esteemed stakeholders.

We would like to extend our sincere gratitude to all our stakeholders for their continued trust, engagement and invaluable feedback. Sustainability is an ongoing journey and we believe that collective effort is essential to achieving meaningful and lasting progress. Looking forward, we remain focused on building a more sustainable and inclusive future for all.

Sincerely,

The Board of Directors

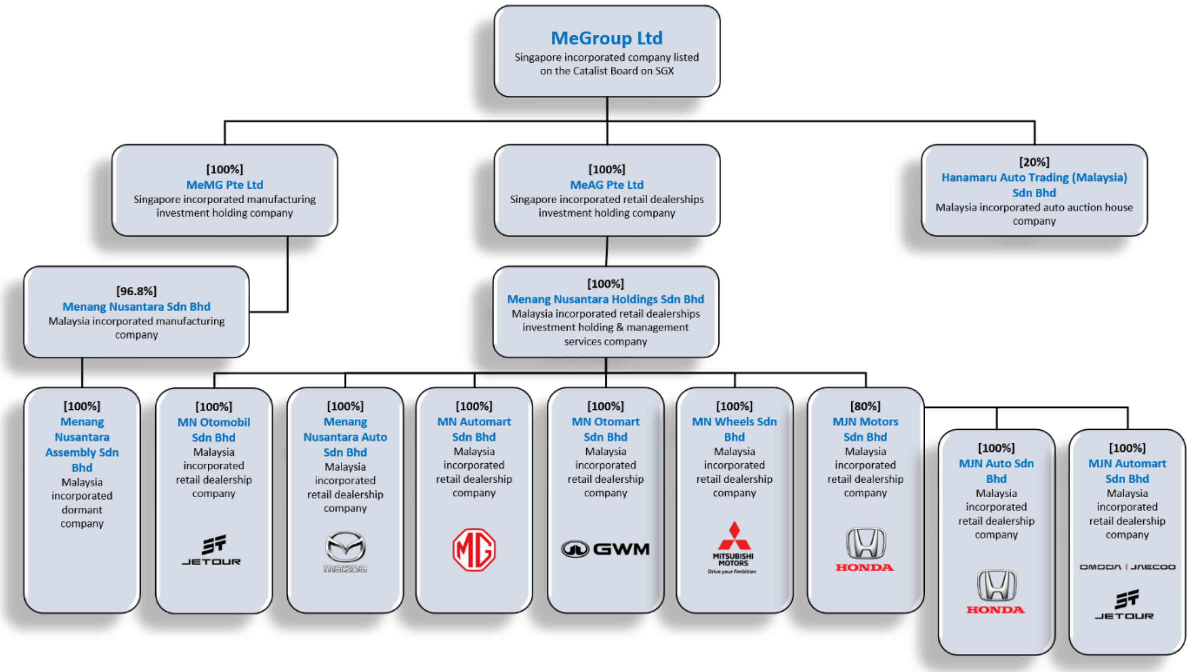
MeGroup Ltd.

ABOUT THIS REPORT

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

Reporting Scope

The Company was incorporated in the Republic of Singapore on 7 February 2018 and is listed on the SGX, with the majority of its operational activities based in Malaysia. In line with our commitment to advancing our sustainability journey, all entities within the Group have been included in both our financial and sustainability reporting. There are no associates, joint ventures or unconsolidated subsidiaries under our operational control. Consequently, their energy and emission data are not included in this report. The illustration below provides an overview of the Group's organisational structure.



Although external assurance has not been sought for this report, we will consider obtaining assurance for future reporting cycles. Nonetheless, we have taken careful measures to ensure the accuracy and reliability of the data reported in this report, with the inclusion of both quantitative and qualitative data to provide a balanced and comprehensive report of our sustainability performance. To add a layer of oversight and reliability, The Group has also engaged its internal auditors to conduct a review of the sustainability reporting process.

This report is published annually, with the last report having been published on the 11 July 2025. Data and information from prior reporting cycles have been included for comparative reference where available. Restatements of information have been made in this report on Page 16, 17, 18 and 22 due to updates in emission factors and calculation formulas.

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 SGX Listing Rules 711A and 711B. We also take reference from the SGX Practice Note 7F Sustainability Reporting Guide, which denotes the best practices that listed companies may adhere to.

The Group has also continued to strengthen its approach to addressing global climate change issues and evaluating the potential impacts on its business. As part of these efforts, we are working towards alignment with IFRS S2. The Group's approach to sustainability and climate-related financial disclosures is designed to provide decision-useful information to investors, while reinforcing the link between sustainability considerations, financial performance and enterprise value.

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

Sustainability is integral to our corporate vision and strategic direction. We recognise the importance of balancing economic growth with environmental stewardship and social responsibility, and we are committed to generating long-term stakeholder value by incorporating sustainable practices into our operations, while addressing the automotive sector's environmental and social challenges.

Sustainability Governance

The Group remains committed to maintaining high standards of 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 reflects our dedication to ethical business practices and cultivates stakeholder trust.

The Group has established a clear governance structure to ensure strategic oversight and effective execution of our sustainability agenda while promoting accountability. Our Board of Directors provides leadership by setting the Group's strategic direction, endorsing key sustainability matters and allocating 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.

Led by the Executive Director, who is also the Head of Engineering, R&D and Manufacturing, our Sustainability Committee supports the Board and sets measurable goals and monitors progress to drive our sustainability agenda. The Committee works cross-functionally to implement initiatives and embed ESG considerations into daily operations. Policies in Employee Handbooks and Manuals are consistently updated by the Human Resource Department and distributed to all employees to ensure they remain informed.

We are committed to improving our human rights practices by reviewing policies regularly to identify enhancements and prevent violations. Stakeholders of projects with significant social or environmental impact are engaged and consulted to ensure inclusive decision-making. With commitments 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

The Group recognises the importance of stakeholder engagement in supporting long-term value creation and advancing its sustainability agenda. Stakeholders are identified as individuals or groups that influence or are influenced by the Group's operations, and this list is regularly reviewed to ensure continued relevance.

The Group engages stakeholders through a range of channels including meetings, workshops, surveys and feedback sessions to gather insights and strengthen collaboration. These engagements inform decision-making and help align sustainability priorities with stakeholder expectations. The Group continues to explore opportunities to enhance engagement practices to better address evolving stakeholder needs.

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 • Ad-hoc • Half - 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 International Organisation for Standardisation (ISO) 9001 and International Automotive Task Force (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
Government and Regulators	• Scheduled or ad-hoc site visit • Meetings and seminars	• Ad-hoc	• Environmental and socio-economic compliance	• Ensure adherence to applicable law and regulations • Meeting the relevant authorities as and when necessary

List of stakeholder groups	Engagement Channels/ Type of stakeholder engagement	Frequency of Engagement	Key topics/concerns	Organisation's response
Shareholders and Investors	• Annual general meeting • Annual reports • Periodic announcements on SGXNET and our website	• Yearly • Ad-hoc	• Financial returns and long-term shareholders value • Transparency and corporate governance	• Providing relevant and prompt disclosure on Group's financial announcements and corporate developments • Implementing 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, providing us with valuable opportunities to learn from industry peers and experts. This allows us to benchmark our performance against industry standards and stay informed and relevant to emerging sustainability trends, technologies and strategies.

Materiality Assessment

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

In FY2026, we conducted a reassessment to ensure the relevance of material topics to our business strategy and stakeholders. Through this reassessment process, we refined our understanding of the key issues that have the greatest impact on our operations and the expectations of our stakeholders. The Board has concluded that our material sustainability topics remain consistent with those identified in the previous reporting year.

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

1. Identification: A list of potential ESG issues was developed based on stakeholder input, 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 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.

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.
Energy and GHG Emissions (GRI 302: 2016)	By adopting renewable energy and implementing greener solutions, we can minimise energy usage, thereby improve resource management and reduce greenhouse gas emissions.

CLIMATE-RELATED DISCLOSURES

Governance

Board's oversight of climate-related risks and opportunities

The Board of Directors exercises oversight of climate-related risks and opportunities as part of its overall governance to sustainability matters. To ensure the Board remains adequately informed, they participate in biannual seminars that focuses on sustainability topics and cover climate-related regulatory developments, emerging risks and opportunities and evolving best practices.

Climate-related considerations are integrated into the Board's oversight of the Group's strategy and risk management process. The Board reviews and guides the integration of climate-related risks and opportunities in key areas including strategic planning, major action plans, risk management frameworks, annual budgeting, business planning, performance target setting and monitoring and evaluation of significant capital investments, acquisitions and divestitures.

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

Under the Board's guidance, the Sustainability Committee is responsible for overseeing the management of climate-related risks and opportunities and support the integration of climate considerations into the Group's operations by establishing measurable goals and monitoring performance. Annual updates on climate-related initiatives and outcomes will be provided to the Board by the Committee, and the Board will provide input for improvements. The Committee remains informed and relevant by participating in ESG and sustainability seminars, conferences and industry forums and are supported by external ESG consultants.

Strategy

The Group integrates environmental risks and opportunities into its forecasting and budgeting processes. Short-term and long-term horizons are considered when assessing potential impacts of climate change on operations, supply chains and customer demand.

Key risks such as evolving regulatory landscapes, shift in consumer preference for electric vehicles and the physical effects of climate-related events are evaluated based on their likelihood and potential financial implications to support informed decision-making.

In alignment with our sustainability objectives and transition consideration, energy efficiency is prioritised in all new investments. For example, energy-efficient design and infrastructure such as LED lighting and inverter-based systems will be incorporated with the construction of new dealership outlets.

Our M3 plant successfully completed the installation and energisation of its solar photovoltaic (PV) system in the second half of FY2026. At our headquarters, the installation of the solar PV system has also been completed and is currently pending energisation, which is targeted for completion in the first half of 2027. In addition, we are committed to incorporating green building principles into future office renovation and construction projects, including the adoption of energy-efficient HVAC systems, improved insulation and green roof solutions where feasible. As retrofitting initiatives continue across our other plants, we will also assess their suitability for solar PV installations to further enhance our sustainability efforts and reduce our environmental footprint.

Climate-related risks and opportunities

In FY2024, we have 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	Extreme weather events may disrupt the production and transportation of automotive parts, components and other critical materials. These disruptions could result in delayed deliveries, shortages of key components, increased procurement and logistics costs and interruptions to manufacturing and after-sales operations, potentially affecting revenue and profitability.	*Short-term*	Increase in cost and potential loss of revenue	We maintain a diversified supplier network across multiple geographic locations, reducing dependence on any single supplier or region vulnerable to climate-related events. We also monitor supplier performance, maintain appropriate inventory levels for critical components where feasible and work closely with suppliers and logistics partners to ensure business continuity and minimise operational disruptions.
Reputation & Brand Risks	As consumer preferences continue to shift towards electric vehicles (EVs), dealership brands with limited or no EV offerings may become less competitive, potentially affecting customer perception, brand relevance and overall sales performance. Failure to align with evolving market expectations could weaken our competitive position in the automotive retail market.	*Medium-term*	Lower profitability	Our dealership has expanded its portfolio to include a diverse range of EV models across multiple brands, enabling us to cater to evolving customer preferences and strengthen our market competitiveness. We continue to broaden our EV offerings and enhance customer awareness to support the transition towards sustainable mobility.

Name of Risk	Description of Risk	Timeframe *(short/ medium/ long)*	Potential (Financial) Impact	Risk Management and Mitigation
Market Trend	The accelerating transition towards EV driven by changing consumer preferences, technological advancements and regulatory developments, may reduce demand for internal combustion engine (ICE) vehicles. This could impact the competitiveness of our product portfolio if the brands we represent, or the products we manufacture do not align with evolving market demand.	*Long-term*	Loss of market share and impairment of assets	Our dealership business has successfully expanded its portfolio to include EV brands and is continuing to broaden its EV offerings in line with market demand. In parallel, our manufacturing division has secured projects with EV manufacturers and is actively expanding its capabilities and production capacity to support the growing EV market. These initiatives strengthen our market position, diversify our revenue streams and enhance our resilience amid the industry's transition towards electrification.

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, plug-in hybrid EV 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 may increase due new technology, potentially increasing MeGroup revenue. 2. Higher requirement for Noise, Vibration, and Harshness ("**NVH**") components and higher quality of parts may potentially drive-up demand of MeGroup 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	1. The cost of repair for cars will go up due new technology potentially increasing MeGroup revenue. 2. Higher requirement for NVH components and higher quality of parts may potentially drive-up demand of MeGroup 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

Scenario analysis provides valuable insights which are integral to MeGroup's strategic decision-making and financial planning. The output of the analysis allows us to adapt our portfolio towards automotive brands that are better aligned with national polices, ensuring long-term relevance and regulatory compliance in our dealership operations. It also guides us in capital allocation and capacity planning, in preparation for increased NVH products, which are critical in the development of more sustainable and energy-efficient vehicles.

In line with IFRS S2 objectives, our manufacturing division supports global transition to low-carbon economy by aligning closely with customer requirements to reduce Carbon Dioxide ("$\mathbf{CO_2}$") emissions. This customer-led approach enables us to manage transition tasks and opportunities proactively while contributing to emissions reductions across our operations.

Risk management

Processes for identifying and assessing climate-related risks

Climate-related risks are identified and assessed through periodic structured discussions involving the senior management including the Executive Director, Head of Group Expansion & Strategy, Head of Engineering, R&D and Manufacturing. Vulnerabilities and risks across the supply chain and manufacturing operations are discussed, assessed and addressed. This enables the development of targeted contingency plans to mitigate potential impacts.

The Group also engages with suppliers and community stakeholders to enhance organisational resilience and facilitate sharing of best practices. Climate-related considerations are increasingly embedded into business decision-making through setting sustainability targets, such as emission reduction initiatives and transition towards electric vehicle production. These measures support strategic and operational plans towards long-term environmental and transition 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, process 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

The Group has not incorporated formal metrics as part of the assessment of climate risk impact. 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

As our approach is primarily customer-driven and shaped by client requirements and specifications, we do not have internal long-term or aspirational climate targets. However, we aim to align our climate-related targets with specific requirements defined by our customers.

To do our part in sustainability, our manufacturing operations adhere to 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. The dealership segment does not currently fall under any such emissions-related obligations.

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

- Toyota's requirement for a 2% CO_2 emissions reduction
- Honda's requirement for a 4.2% CO_2 emissions reduction

As the Group employs absolute reduction targets for our emissions, the emission reduction target is currently set at 1.5% for our manufacturing operations. We are in the process of collecting CO_2 data based on Honda's and Toyota's metric of measurement. These targets are set annually and are subject to yearly review. The key performance indicators ("KPIs") assess the annual reduction in CO_2 emissions against the baseline and percentage targets which are determined by our customers. Our commitment to fulfilling these external targets is integral to our contribution to broader decarbonisation efforts across the supply chain.

Energy consumption

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 save significant operational costs while contributing to sustainability.

The Group's GHG emissions footprint comprises of Scope 1 emissions from motor fuel consumption and climate chamber (purchased in FY2026), and Scope 2 emissions from electricity usage. As we continue to strengthen our internal data collection capabilities, we aim to produce more comprehensive and accurate data. Improving quality of 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.

The Group generates renewable energy through on-site solar photovoltaic (PV) systems at our M1 and M3 plants. A solar PV system has also been installed at our headquarters in Balakong and is pending energisation, which is targeted for completion in the first half of 2027. These initiatives support our transition towards more sustainable energy sources and reduce our reliance on conventional electricity. A portion of the electricity generated is consumed to support our operations, while surplus energy is exported to the national grid. Additional electricity is sourced from the national grid to meet the operational requirements of our manufacturing and dealership businesses.

During the reporting period, overall energy consumption declined, primarily due to optimised production scheduling, including adjustments to operating hours in selected processes. These measures contributed to improved energy efficiency across operations.

Source of Emissions[1]	*Fuel Type*	*Fuel Usage*	
		FY2025	*FY2026*
Stationary combustion – M3	LPG Gas (kg)	60,000	61,200
Vehicle A	RON 95 (L)	86,664	40,511
Vehicle B	Diesel (L)	14,762	4,344
Vehicle C	Diesel (L)	14,535	7,146
Other vehicles used	RON 95 (L) - Manufacturing	77,109	60,763
	RON 95(L) - Retail	182,450	103,136
	RON 97(L) - Retail	14,224	4,497
	RON 97(L) - Manufacturing	3,988	2,144
	Diesel (L) - Retail	3,168	10,848
Climate Chamber	Carbon Dioxide (kg)	-	2,160

Total electricity consumption (kWh)	FY2025[2]	FY2026
Manufacturing segment	2,948,968	2,610,242
Retail segment	1,277,414	1,299,241
Solar Energy consumed from manufacturing segment, without Renewable Energy Certificates (RECs)	267,405	295,003
Total electricity used	4,493,787	4,204,486

While we did not fully achieve our target of having renewable energy account for at least 10% of our total energy consumption, we are encouraged by the progress made in FY2026, with the use of renewable energy increasing to 7.0%. In the same period, we successfully met our goal of zero incidents of environmental non-compliance or penalties, and we remain committed to maintaining this record in FY2027.

Both the Board and Management remain dedicated to enhancing our environmental management systems continually, ensuring alignment with regulatory standards and customer expectations.

Greenhouse gas emissions and related risks

We introduced quantitative data on our greenhouse gas ("GHG") emissions in FY2024, for which we have adopted the calculation methodology of the Greenhouse Gas Protocol and serves as our baseline year, enabling us to monitor and evaluate our progress in GHG emissions management. We adopted the operational control method for our consolidation approach.

[1] Vehicle A refers to a Sedan/SUV used for transport, Vehicle B refers to a pickup truck, and Vehicle C refers to a forklift, and they are company-owned vehicles. Other vehicles used refers to employee-owned vehicles used for business operations within the manufacturing and retail segments.

[2] FY2025 figures have been restated due to previous calculation errors.

The following tables illustrate the total GHG emissions produced by the Group for FY2025 and FY2026.

Scope 1 emissions

	Fuel Type	***Emissions[3] (tCO_2e)***	
		FY2025[4]	***FY2026***
Stationary combustion – M3	LPG Gas (kg)	176.36	179.89
Vehicle A	RON 95 (L)	179.32	83.82
Vehicle B	Diesel (L)	37.95	11.17
Vehicle C	Diesel (L)	37.36	18.37
Other vehicles used	RON 95 (L) - Manufacturing	159.55	125.73
	RON 95(L) - Retail	377.52	213.40
	RON 97(L) - Retail	29.43	9.31
	RON 97(L) - Manufacturing	8.25	4.44
	Diesel (L)	8.14	27.89
Climate Chamber	Carbon Dioxide (kg)	-	2.16
Total emissions		**1,013.88**	**676.18**

	Refrigerant	***Refrigerant Usage (kg)***	***Emissions[5] (tCO_2e)***
		FY2026	***FY2026***
Temperature and humidity test chamber (6750L)	R508B	14.00	144.9
Temperature and humidity test chamber(1000L)	R508B	14.00	144.9
Total emissions			**289.8**

Our Scope 1 emissions arise primarily from fuel consumption in vehicles and equipment, as well as the use of refrigerants. Across our retail dealership and manufacturing operations, we utilise both non-inverter air-conditioning units and refrigerators equipped with inverter compressors. In FY2026, we commenced disclosure of refrigerant usage and the associated emissions as part of our efforts to enhance transparency.

The Group's Scope 1 emissions profile shows a significant overall reduction in FY2026 compared to FY2025. This reduction was primarily driven by the optimisation of test drive units, which resulted in lower fuel consumption and consequently, reduced Scope 1 emissions across the Group's operations.

We will continue to strengthen our data collection processes to improve the accuracy, reliability and completeness of our emissions reporting over time.

[3] Emissions factors taken from United Kingdom Department for Energy Security and Net Zero Greenhouse gas reporting Greenhouse gas reporting: conversion factors 2025 - GOV.UK
[4] FY2025 emissions amounts have been restated due to update in emissions factors used in calculating petrol and diesel emissions.
[5] Emissions factors taken from ASHRAE Standards 34 ASHRAE Refrigerant Designations

Scope 2 emissions[6]

	FY2025[7]	FY2026
Location-based emissions (tCO_2e)	3,325.40	3,111.32
Market-based emissions (tCO_2e)	3,325.40	3,111.32

Our Scope 2 emissions are attributable to our electricity usage from the national grid and solar energy generated. As solar energy consumed are not supported by RECs, there is no difference between the Group's location-based and market-based Scope 2 emissions calculations.

Solar energy generation has been implemented at our M1 plant & M3 plant with the objective of contributing approximately 10% of our total electricity consumption. We were granted an approval for Net Energy Metering 2.0 ("**NEM**") by the Sustainable Energy Development Authority ("**SEDA**") Malaysia for both M1 plant & M3 plant, which administers and manages the implementation of the feed-in tariff mechanism under the Renewable Energy Act 2011 [Act 725].

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

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[6] Scope 2 emissions for FY2025 and FY2026 have been calculated using grid emission factor of 0.74 $kgCO_2/kWh$ obtained from Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional)

[7] FY2025 figures have been updated and recalculated using the latest updated grid emission factor due to calculation errors in the previous year

OUR FOCUS AREAS

Ethics and Anti-Corruption Practices

MeGroup is committed to maintaining high ethical standards and integrity across all its operations. In compliance with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and Singapore' Prevention of Corruption Act, the Group adopts a zero-tolerance approach to bribery and corruption. All business activities and relationships are conducted with professionalism, fairness and integrity.

Our Code of Conduct manual provides a formal framework for all employees that sets out expectations for ethical behaviour, including principles such as honesty, integrity, fairness, respect for human rights and adherence to applicable laws and regulations. These principles are applicable to all employees and are supported by ongoing trainings initiatives that promote ethical awareness and consistent reinforcement.

Our Whistleblowing Policy provides an anonymous reporting system that encourages employees and stakeholders to report any suspected corruption or unethical behaviour in-person or in writing through email whistleblowing@me-grp.com, which is only accessible to our highest governance officer. Whistleblowers are protected from retaliation and all reports are subject to appropriate investigation and oversight. Disciplinary actions, including termination of employment, may be taken if employees are found to have breached our anti-corruption and anti-bribery standards. The whistleblowing policy is available on the Company's website, at https://me-grp.com/wp-content/uploads/2026/05/20260522_MeGroup_Whistle-Blowing-Policy.pdf.

In addition, the Group maintains an Anti-Corruption and Anti- Bribery Policy designed to identify, assess and mitigate bribery and corruption risks across its operations. The policy sets out the Group's expectations and standards of conduct in preventing bribery and corruption, while promoting a culture of integrity, transparency and ethical business practices across the organisation. 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. Looking forward, we are dedicated to upholding this performance of zero reported cases in the years to come.

Customer Data Privacy

The Group recognises data privacy and cybersecurity as a key governance and operational consideration and believes that safeguarding personal data is both a legal and ethical obligation and is critical to fostering long-term sustainable relationships with our valued customers.

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. In line with the PDPA, the Group appointed a Data Protection Officer ("**DPO**") on 30 September 2024, and the DPO's contact information has been made publicly available. We regularly review and enhance our data privacy protocols to address evolving regulatory requirements and emerging risks.

A robust data protection framework has been implemented to safeguard the confidentiality, integrity, and availability of personal data of our customers, employees and stakeholders. The framework governs the lawful and transparent collection, use, storage and disposal of personal data throughout its lifecycle, including the requirement to obtain appropriate consent prior to data collection. Strict access control only allows authorised personnel to have access to confidential data when required. These measures prevent unauthorised access, disclosure, alteration or destruction of customer data.

To strengthen awareness and accountability, employees attended training with the DPO on data privacy and IT security awareness, including the proper handling, protection and management of personal data. These efforts support the Group's commitment to maintaining strong data governance practices and fostering a culture of data protection across the organisation.

In FY2026, 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.

Employee Engagement

The commitment, expertise and engagement of our employees are fundamental to MeGroup's sustained business growth. 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 2026, the Group employed a total of 166 employees for its upstream manufacturing operations (FY2025: 172 employees) and 135 employees for its downstream retail dealerships (FY2025: 151 employees). A breakdown of our employees, where all are based in Malaysia, by employment type and gender is as follows:

Category	FY2025		FY2026	
	Gender		Gender	
	Male	Female	Male	Female
Permanent, Full-time Employees[8]	176	84	173	74
Temporary, Part-time Employees[9]	60	3	51	3
Total	**236**	**87**	**224**	**77**

The Group conducts regular internal salary benchmarking exercises to ensure remuneration packages remain fair, equitable and competitive. Employees are also provided with a range of benefits including parental leave, life insurance, healthcare, disability and invalidity coverage are extended to both permanent and temporary employees to ensure a baseline of financial security and support regardless of employment status. Tokens of appreciation are presented to eligible permanent employees upon their retirement in recognition of their long-term service and valuable contributions to the Group. Roles with higher occupational risks are covered under Malaysia's Social Security Organisation ("SOCSO"), offering statutory social insurance protection through schemes such as Employment Injury Scheme and Invalidity Scheme.

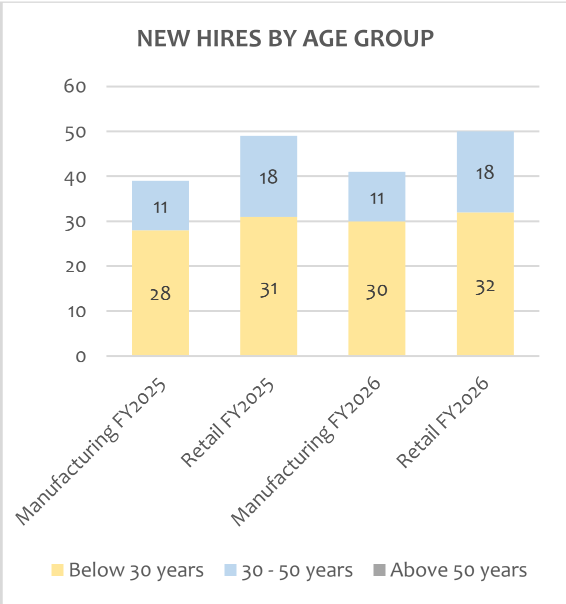
In addition to our workforce, the Group engages 113 non-employee workers which comprises of sale advisors and student interns. Sale advisors promote and sell products and services and are remunerated on a commission basis while student interns support a range of function such as projects, data collection and operational support, along with gaining hands-on experience relevant to their academic disciplines.

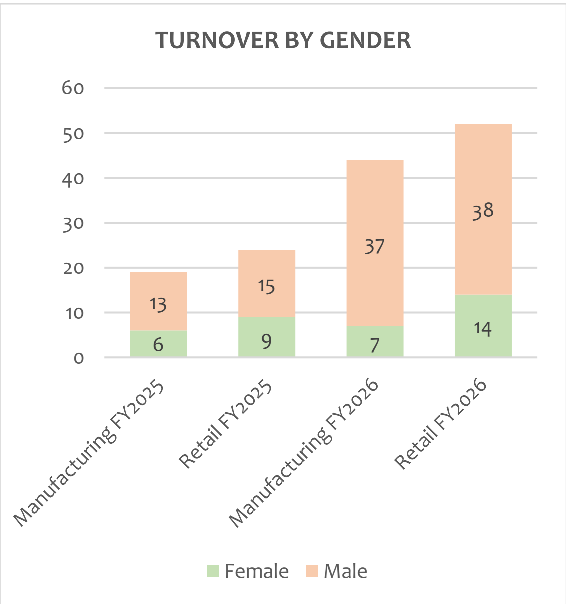
As part of our employee engagement efforts, we celebrate major festivals and hold monthly birthday celebrations to create a positive and connected work environment. We also organise regular team-building activities, recreational sports competitions, and appreciation dinners to strengthen teamwork and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

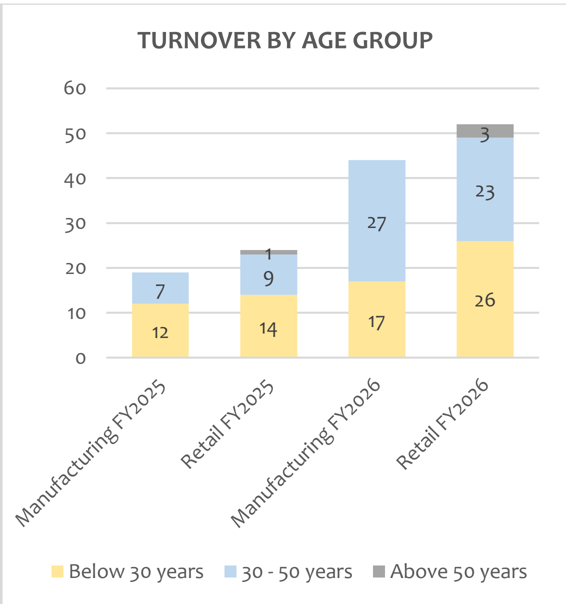
[8] Full-time employment is defined as a work arrangement where an employee is expected to work a predetermined number of hours per week, typically around 40 hours per week.
[9] Temporary or Part Time employees refer to a work arrangement where the employee's hours of work are not fixed or may be limited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

In FY2026, the Group recorded a new hire rate[10] of 28.2% (FY2025[11]: 24.0%) and an employee turnover rate[12] of 29.7% (FY2025[13]: 11.7%) which met the targets set in FY2025. These workforce movements reflect the Group's proactive approach to aligning its talent pool with changing business and operational requirements. The Group continued to support workforce development through internal promotions, succession planning and career progression opportunities while complementing these efforts with external recruitment where necessary. Employee recognition and reward programmes were also strengthened to enhance motivation and retention.

These metrics will be closely monitored monthly 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 FY2027.







[10] New hire rate = total number of new hires/total number of employees as at the end of the previous reporting year
[11] FY2025 new hire rate is restated due to change in calculation formula, however, the change is insignificant.
[12] Turnover rate = total number of resignees/total number of employees as at the end of the previous reporting year
[13] FY2025 turnover rate is restated due to change in calculation formula, however the change is not significant.

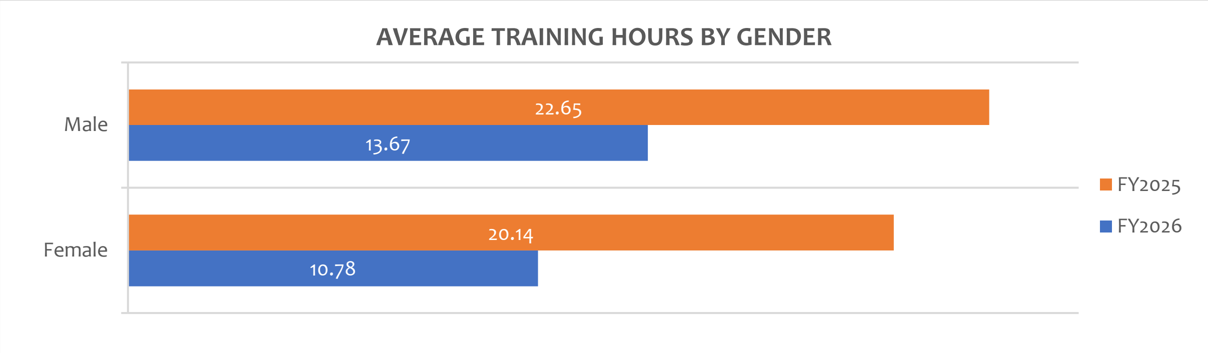
Talent Development

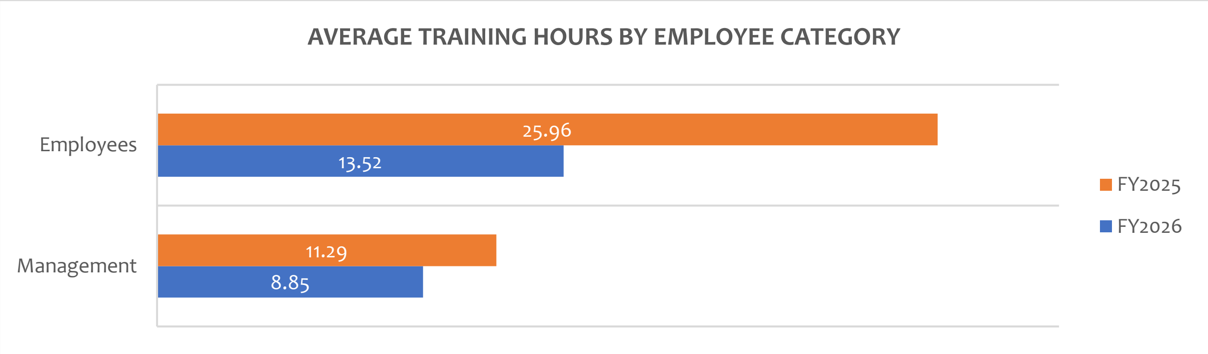
To develop a future-ready workforce, the Group invests in and emphasises on employee's professional growth by providing a range of learning and development opportunities which includes internal training courses and hands-on programmes. They are designed to enhance technical and functional capabilities which would enable employees to perform more effectively in their roles and responsibilities, thereby increasing productivity and contribute to the Group's long-term growth.

In the upstream manufacturing division, training programmes are tailored to individuals based on competency requirements of their roles and responsibilities. This ensures that manufacturing personnel possesses the skills and expertise needed to support operational excellence and produce high-quality and consistent results.

In the downstream retail sector, the Group collaborates with brand principals to deliver regular training sessions that keeps retail staff informed on the latest product offerings and emerging trends, providing accurate information and delivering high quality customer service.

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





FY2026 saw an overall reduction in training hours, primarily attributed to operational priorities and resource allocation during the reporting period, resulting in fewer employee training sessions across the Group as compared to FY2025.

Employees with over a year of service participate in the annual performance appraisal, which provides a thorough evaluation of each employee's contributions, achievements and areas for development. New hires who have completed six months with the Group undergo a one-time career development review, conducted either upon confirmation or during the appraisal period. These reviews serve as the basis for fair and transparent decisions on career advancement, including promotions, salary adjustments and annual performance bonuses.

In FY2026, 100% of employees, regardless of gender or employment category, received their performance and career development reviews. We are committed to maintaining this standard in FY2027.

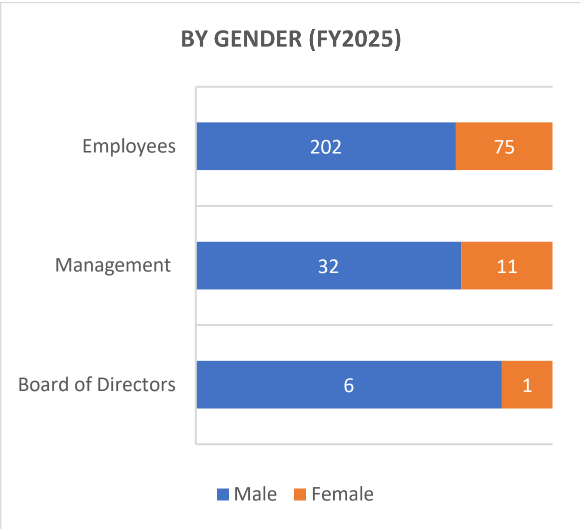
Diversity and Inclusion

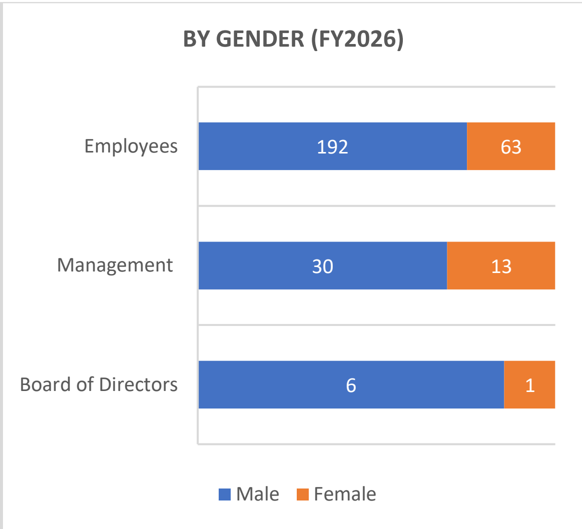
The Group is committed to cultivating a work environment that values diversity, inclusivity and collaboration. We recognise that diverse perspectives and experiences contribute to organisational performance and drive innovation.

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

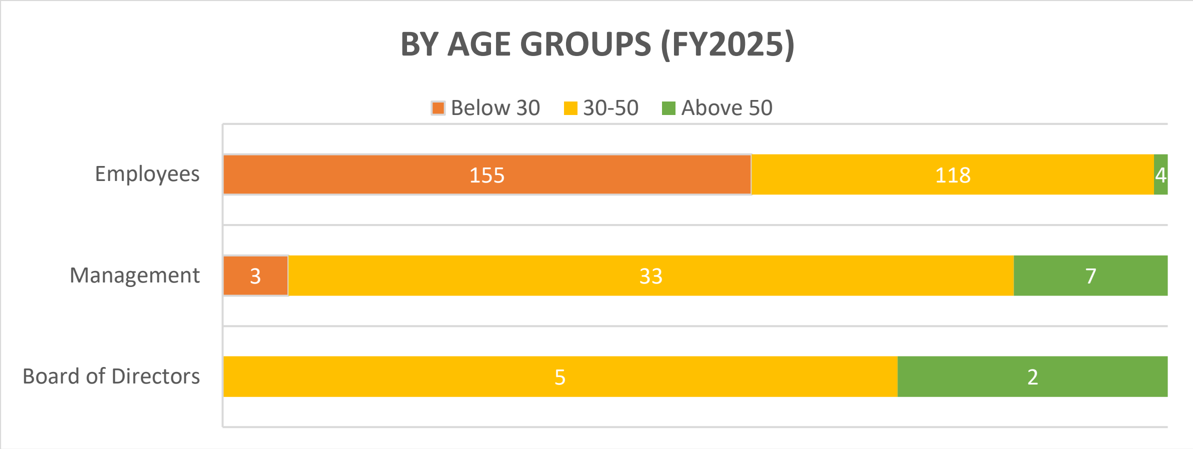
To uphold fairness and transparency, salary ranges are disclosed in our job postings, and a zero-tolerance approach is applied to discriminatory behaviour throughout the recruitment process.

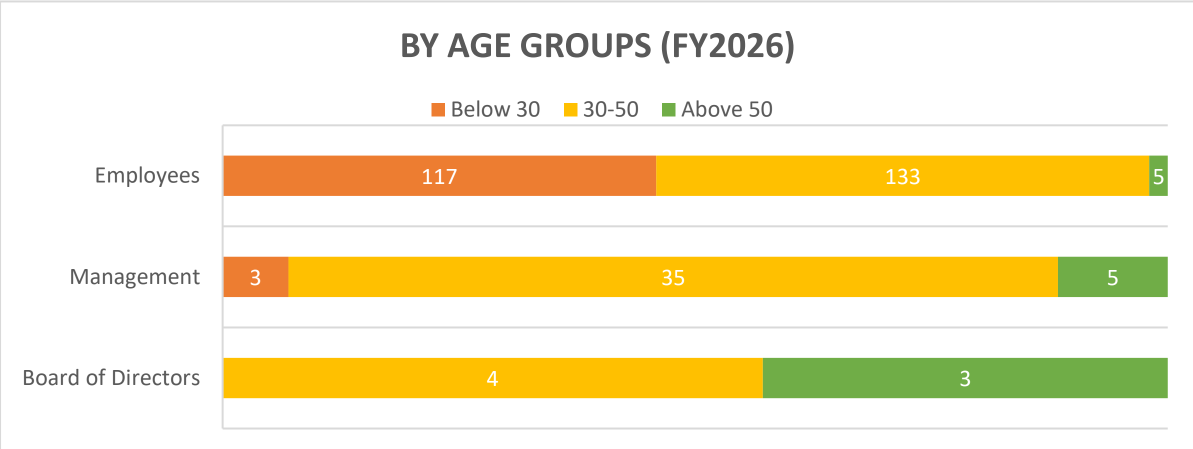
A breakdown of the Board of Directors[14], senior management and employees by gender and age groups, is as follows:





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





The Group acknowledges the gender imbalance prevalent in the automotive industry, where certain roles are predominantly male represented. However, we remain fully committed to fostering an equitable environment that values, respects and provide equitable opportunities for all employees, regardless of gender or any other characteristic.

Employees are encouraged to raise any concerns without fear of retaliation. All 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.

In FY2026, there were zero cases of discrimination reported within or against the Group and we are committed to maintaining this record in FY2027.

Workplace Health and Safety

Employee, contractor and stakeholder health and safety are a primary concern at MeGroup. In our day-to-day operations, employees are exposed to a wide range of health and safety hazards, including the use of hazardous chemical substances, unsafe equipment and machineries. Recognising the hazards associated with these activities, we are dedicated to continuously minimise 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.

We have established both an Employee Health and Safety Committee and a Fire Safety Committee, comprising departmental representatives and are guided by registered safety officers. These committees are responsible for implementing and monitoring 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.

Safety practices are reinforced through daily safety briefings conducted by Heads of Departments. 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. Trainings are free and Human Resources Development Fund ("**HRDF**") claimable. Work permits are issued to ensure operational safety and daily inspections of equipment such as press machines, forklifts and fire safety equipment are performed to ensure safety. 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 without delay for the Safety Committee to address promptly.

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.

On 14 March 2026, a fire incident occurred at one of the Group's premises in Balakong, Selangor, affecting certain production facilities. There were no casualties or injuries reported and the fire was successfully extinguished. Recovery efforts were promptly initiated to minimise disruption to operations while the relevant authorities commenced investigations into the cause of the incident.

The Group maintains insurance coverage for its assets and consequential losses, including business interruption impacts. We received the first interim insurance payment in April 2026 and continue to work closely with our insurers towards the final settlement The affected premises is expected to resume full recovery by September 2026.

We have zero high-consequence or recordable work-related injuries in FY2026 (FY2025: zero). We are committed to achieving zero regulatory complaints and workplace safety incidents in FY2027 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 the information cited in this GRI content index for the period 1 April 2025 to 31 March 2026 with reference to the GRI Standards.
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