**MeGroup Ltd.**
Company Registration No.: 201804996H
133 Cecil Street, #14-01 Keck Seng Tower
Singapore 069535

Media Release

# MeGroup delivers robust profit growth in 1H2025

## MeGroup sustains strong profitability at half-time – 70.0% increase in 1H2025 net profit to RM5.6 million

- **Manufacturing business posts healthy gains, Dealership business remains well-positioned for growth**
    - **Revenue from Manufacturing business increases 14.9% while Dealership business decreases by 16.2%**
- **Group's revenue decreases by 11.1% to RM193.4 million in 1H2025**
- **Declares one-tier tax exempt interim cash dividend of RM0.003 per share for the current financial period ended 30 September 2024**
- **Group's subsidiaries have secured letter of intent, letter of appointment and letter of offer to become the authorised dealers for JETOUR, GWM, and MITSUBISHI MOTORS respectively**
- **To continue pursuing complementary business opportunities that add value to the automotive industry**

**Singapore, 11 November 2024** – SGX-Catalist listed **MeGroup Ltd.** ("**MeGroup**" or the "**Company**", and together with its subsidiaries, the "**Group**") today announced its financial results for the half year period ended 30 September 2024 ("**1H2025**").

The Group achieved a 70.0% increase in net profit to RM5.6 million in 1H2025, compared to RM3.3 million in the preceding half year period ended 30 September 2023 ("**1H2024**"). This was despite a 11.1% decrease in revenue to RM193.4 million in 1H2025, from RM217.7 million in 1H2024. The decrease was mainly attributable to a decline in revenue in the Group's Dealership business, with a drop in sales of automobiles during the period because of softer market demand.

Commenting on the latest earnings, **Mr. Wong Sai Hou, CEO of MeGroup Ltd.** said: "Our performance for this period highlights the resilience of MeGroup's operations amid the challenging market landscape. We have seen a strong performance by our Manufacturing business driven by the launch of new models in the market, whilst our Dealership business faced moderated demand affecting our overall revenue. We remain committed to strengthening the performance of both segments and exploring strategic opportunities that will enhance long-term growth and profitability across our automotive portfolio.

As the official MG dealer for Setia Alam, Selangor, along with the awarding of the Jaecoo 3S dealership by Chery Auto Malaysia Sdn. Bhd. positions us well to capitalise on growing customer demand in the coming years. New vehicle registrations for the Jaecoo 3S dealership began in August 2024, enhancing our ability to serve this dynamic market.

Simultaneously, our factory at Kulim Hi-Tech Park, equipped with cutting-edge technology to support the mass production of diverse car components, along with the expansion of our manufacturing facilities in Balakong, Selangor Darul Ehsan, strengthens and broadens the scope of our Manufacturing business. In July 2024, the completion of minority equity investment by Hirotani Co Ltd into our Manufacturing business further enhances the Group's capability and technical support for producing more complex components for the automotive market."

At present, the Group operates a manufacturing plant, an assembly plant, a thermobonded felt plant and a warehouse at Balakong, Selangor, Malaysia. In addition, the Group operates an assembly plant in Kulim District, Kedah, Malaysia and a warehouse at Alor Gajah, Malacca, Malaysia.

**Ms. Carol Wong Keat Yee, Executive Chairwoman of MeGroup Ltd.** added: "The Group remains dedicated to exploring sustainable growth opportunities to deliver long-term value to both our shareholders and stakeholders. A key focus for us is expanding our network of manufacturing and dealership partners to better meet our customers' evolving demands, while ensuring a seamless experience across both sales and after-sales services."

**Financial Review**

On a segmental level, overall revenue from the Manufacturing business has increased by RM5.3 million, or 14.9%, to RM40.9 million in 1H2025 from RM35.6 million in 1H2024. The increase was mainly due to the launch of new models in the market, resulting in heightened sales demand from customers and a rise in sales orders for existing models.

The Dealership business experienced a decrease of RM29.5 million, or 16.2%, to RM152.5 million in 1H2025 from RM182.1 million in 1H2024. The decrease was primarily attributed to a drop in sales of automobiles during this period, reflecting softer market demand.

Despite a decline in revenue, the Group's gross profit increased by RM3.9 million or 18.1% to RM25.5 million in 1H2025 from RM21.6 million in 1H2024. Overall gross profit margin increased by approximately 3.3 percentage points from 9.9% in 1H2024 to 13.2% in 1H2025.

The gross profit margin of Dealership business increased by 2.1 percentage points from 7.2% in 1H2024 to 9.3% in 1H2025. This was mainly due to the significant decrease in revenue from sales of automobiles from RM167.8 million in 1H2024 to RM136.2 million in 1H2025. As automobile sales typically yield a lower gross profit margin compared to after-sales services, the shift in revenue composition towards these higher-margin after-sales services contributed positively to the overall gross profit margin.

Meanwhile, the gross profit margin of Manufacturing business increased by 3.7 percentage points from 24.0% in 1H2024 to 27.7% in 1H2025 mainly due to the internal cost control measures and an increased supply of higher-margin products.

Other gains increased by approximately RM0.45 million from RM0.01 million in 1H2024 to RM0.46 million in 1H2025. This was mainly due to a much higher realised forex gain from payment to suppliers.

Meanwhile, other income decreased by approximately RM0.11 million or 16.9% from RM0.68 million in 1H2024 to RM0.56 million in 1H2025. The decrease was mainly due to absence of gain on disposal property, plant and equipment and gain on disposal of right-of-use assets, decrease in storage service income, and rental income. The decrease was offset by the increase in bank interest income and commission received from principal.

Current assets had increased by approximately RM6.8 million or 7.9% from RM87.1 million as at 31 March 2024 to RM93.9 million as at 30 September 2024. This was mainly due to the increase in inventories and cash and cash equivalents by approximately RM6.7 million and RM 6.4 million respectively. However, this increase is offset by the decrease in trade and other receivable and tax recoverable by RM6.1 million and RM0.1 million respectively.

The Group maintains a healthy balance sheet, with net assets of RM61.4 million and cash and cash equivalents of RM22.2 million as at 30 September 2024.

**Interim Dividend**

After considering the Group's financial performance as well as MeGroup's business expansion needs, the Board of Directors of MeGroup has declared a one-tier tax exempt interim cash dividend of RM 0.003 per share, payable on 13 December 2024.

**Business Outlook**

According to the Bank Negara Malaysia under the subject of Economic and Financial Developments in Malaysia, the Malaysian economy displayed a strong economic growth of 5.9% in the second quarter driven by stronger domestic demand and further expansion in exports. Inflation edged slightly higher to 1.9% and is expected to edge higher in second half 2024 mainly due to the rationalisation of diesel subsidy. However, the impact will remain manageable given mitigation measures by the government to minimise cost impact to businesses and the upside risks to inflation depend on the extent of the spillover effects from further domestic policy measures on subsidies and price controls to broader price.

Meanwhile, the Malaysian economy is expected to face challenges due to inflationary pressures, persistent geopolitical tensions, and slower global growth. In addition, vehicle sales in the country are being affected by the increasing presence of Chinese-made vehicles in the market, presenting both a potential threat and an opportunity for the Group. While increased competition may affect local vehicle sales, it also opens possibilities for partnerships and innovation within the automotive industry.

During 1H2025, the Company's subsidiaries namely MJN Automart Sdn Bhd, MN Otomart Sdn Bhd and MN Wheels Sdn Bhd have secured letter of intent from Jetour Automobile Malaysia Sdn Bhd, letter of appointment from Great Wall Motor Sales Malaysia Sdn Bhd and letter of offer from Mitsubishi Motors Sdn Bhd to become the authorised 3S / 4S dealer for the brands JETOUR, GWM AND MITSUBISHI MOTORS respectively, all of which is expected to commence operations in the second half of the financial year ending 31 March 2025. The Company had also withdrawn from the PROTON dealership with effect from 1 November 2024.

While the automotive industry is expected to experience some headwinds, the Board remains cautiously optimistic, acknowledging that these new dealership ventures may help mitigate potential impacts on the Group's overall performance for the financial year ending 31 March 2025.

End

**Note: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.**

**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.

Under the Group’s Dealership business, MeGroup owns and operates 11 dealership outlets under eight brands, namely; i) one Peugeot dealerships; ii) two Honda dealerships; iii) one Mazda dealership; iv) one MG Motor dealership; v) one Ford dealership; vi) three Mitsubishi Motors dealerships; vii) one Jaecoo dealership and viii) one GWM dealership in Malaysia.

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


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| ISSUED ON BEHALF OF | : | **MeGroup Ltd.** |
| BY | : | Citigate Dewe Rogerson Singapore Pte Ltd |
| | | 158 Cecil Street |
| | | #05-01 |
| | | Singapore 069545 |
| CONTACT | : | Ms Dolores Phua / Ms Jeanne Mah |
| DURING OFFICE HOURS | : | 6534-5122 |
| EMAIL | : | MeGroup@citigatedewerogerson.com |


*This press release has been reviewed by the Company’s Sponsor, UOB Kay Hian Private Limited (the “Sponsor”).*

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*The contact person for the Sponsor is Mr. Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone: (65) 6590 6881.*