



TRANSFORMING TODAY  
**DRIVING TOMORROW**



ANNUAL REPORT 2025



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This annual report has been reviewed by the Sponsor, UOB Kay Hian Private Limited ("Sponsor"). This annual report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this annual report including the correctness of any of the statements or opinions made or reports contained in this annual report. The contact person for the Sponsor is Mr Lance Tan, Senior Vice President at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.



ESTABLISHED SINCE 1995 IN MALAYSIA AND LISTED ON THE SINGAPORE EXCHANGE (“SGX”) IN 2018, MEGROUP LTD. (“MEGROUP” OR THE “COMPANY”, AND TOGETHER WITH ITS SUBSIDIARIES, THE “GROUP”) IS AN AUTOMOTIVE COMPANY THAT SPECIALISES (I) IN THE MANUFACTURE OF NOISE, VIBRATION AND HARSHNESS (“NVH”), NON-NVH COMPONENTS FOR AUTOMOTIVES AND (II) IN THE OPERATION OF AUTOMOBILE DEALERSHIPS IN MALAYSIA.

The **Manufacturing Business** segment specialises in the manufacturing of both NVH and non-NVH components for various automobile models. Under the NVH component catalogue, the Group manufactures components such as dashboard insulator, outer, hood, headlining, undercover and wheel arch. Under the non-NVH catalogue, the Group manufactures components such as board assembly deck, trunk lid, package tray and deck board.

The **Dealership Business** segment comprises several 3S and 4S automobile dealerships for the sale of new automobiles under the brands of GWM, Honda, Jaecoo, Jetour, Mazda, MG Motor, Mitsubishi Motors, and Peugeot. These Dealerships are owned and operated by MeGroup in Kuala Lumpur and Selangor.

## Manufacturing



HITACHI



HONDA



MAZDA



MITSUBISHI



PERODUA



PROTON



TOYOTA

## Dealership



GWM



HONDA



MAZDA



MITSUBISHI



JAECOO

JETOUR

## Others



HANAMARU



# CHAIRWOMAN'S MESSAGE



## Ms Wong Keat Yee

EXECUTIVE CHAIRWOMAN,  
HEAD OF OPERATIONS & MANUFACTURING

Dear Shareholders,

I am pleased to present to you MeGroup Ltd's Annual Report for the year ended 31 March 2025 ("FY2025"), for the first time as the Chairwoman of the Board of Directors of the Group.

As we continue charting our growth journey, we pause to express our heartfelt appreciation to Mr Wong Cheong Chee, former Executive Chairman and CEO of the Group, for his visionary leadership and unwavering commitment to the Group. Over decades, he transformed the business from a modest shophouse operation, into a respected partner in the automotive sector. While Mr Wong now steps down from his executive roles, we are honoured that he will continue to serve as Group Senior Advisor, where his wealth of experience and business acumen will remain a valued source of guidance in the next chapter of our journey.

## FY2025 in Review

Overall, FY2025 had been challenging for the world economy on several fronts, in particular the ongoing conflicts in Ukraine and in the Middle East weighed heavily on business and consumer sentiments around the world as inflation continued to

be unabated. At the beginning of 2025, new rounds of tariffs imposed by the US on many of its trading partners and the recent escalation of war between Israel and Iran, has raised volatility in oil prices and fuelled further anxiety over the state of the world economy.

Our Group's performance in FY2025 reflected some of these headwinds we saw in the year. Our revenue decreased by approximately RM66.02 million or 14.4% from RM458.64 million in FY2024 to RM392.62 million in FY2025. We witnessed decreases in revenue for both our manufacturing and dealership segments. Revenue for the manufacturing segment was impacted by a decline in sales orders for existing models as well as delays to the new mass production projects by the customers. Sales in the dealership segment was impacted by a drop in automobile sales, as customers chose to wait and see the introduction of new brands and models, particularly with the influx of Chinese-made vehicles in Malaysia.

Nonetheless, the Group maintained its firm commitment towards growth and pushed forward new initiatives in FY2025.

## Manufacturing Segment

Under our manufacturing segment, we continue to put our focus on enhancing our next generation manufacturing capabilities. Having launched our advanced manufacturing operations in Kulim Hi-Tech Park in Kedah, the Group now has the capability to tap into the growing markets in northern corridor of West Malaysia.

FY2025 saw the ongoing build-up of expanded manufacturing lines and warehousing facilities at our new plant in Balakong, Selangor. This new facility not only serves as our new corporate headquarter but also houses a research and development centre which will cater to the sophistication and demand for new innovative projects from our customers.

## Dealership Segment

In our dealership segment, we have been appointed as the authorised dealer for Jetour in Telok Panglima Garang, Selangor (1<sup>st</sup> outlet); GWM in Kuala Selangor (1<sup>st</sup> outlet); and Mitsubishi Motors in Telok Panglima Garang (4<sup>th</sup> outlet). The Mitsubishi Motors in Telok Panglima Garang (4<sup>th</sup> outlet) and GWM in Kuala Selangor (1<sup>st</sup> outlet) have commenced operations in FY2025.

The operations for Jetour (1<sup>st</sup> outlet), is expected to commence in the first half of the financial year ending 31 March 2026.

THE GROUP WILL CONTINUE TO EXPLORE OPPORTUNITIES IN THE MANUFACTURING AND DEALERSHIP BUSINESSES TO GROW OUR REVENUE, OPERATING MARGINS, AND CAPITAL EFFICIENCY TO CREATE VALUE FOR ALL OUR SHAREHOLDERS.



In 2H2025, the Company's subsidiary namely MN Otomart Sdn Bhd had secured a letter of appointment from Great Wall Motor Sales Malaysia Sdn Bhd to become the authorised 4S dealer for the brands GWM at Telok Panglima Garang (2nd outlet), which is expected to commence operations in 1H2026.

As part of our ongoing strategic review to align the dealership portfolio with evolving market dynamics in Malaysia, we have made the considered decision to withdraw the Ford dealership with effect from 15 April 2025.

## Outlook 2025

According to Bank Negara Malaysia, the Malaysian economy grew by 5.1% in 2024 compared to a 3.6% growth in 2023, due to continued expansion in domestic demand and a rebound in exports. Demand for vehicles remained strong in 2024. The sales of new motor vehicles registrations increased to 816,747 units in 2024 an increase of 2.1% versus the previous year and surpassing the 800,000 units threshold for the first time. This was driven mainly by demand in the passenger cars subsegment and a resilient economy with broad-based improvement in consumer sentiments and industry growth.

According to the Malaysian Automotive Association, Total Industry Volume is forecasted to be in the range of 780,000 units in 2025. Certain macro-economic and policy factors underpin this robust demand for vehicles. For instance, the Government forecasted GDP to grow between 4.5% to 5.5% in 2025, driven by higher private consumption and investment. As Bank Negara Malaysia continues to maintain the Overnight Policy Rate (OPR) at 3% in 2025, this may further underpin favourable demand conditions for vehicles.

The increase in minimum wage to RM1,700 from 1 February 2025, and the salary revision for Government servants of up to 15%, may also lead to increase in demand for vehicles. A stable labour market with low unemployment at 3.2%, suggests continued income security which in turn supports vehicular purchases.

Duties exemption for Battery Electric Vehicle ("BEV") expiring end of 2025, is expected to create urgency for people to purchase BEVs. New brands and models would be introduced in the market creating excitement to the market.

However, despite these positive demand conditions for automotive sales in Malaysia, we remain cautious due to the widening of the geopolitical conflicts in the Middle East, the ongoing trade

tensions between US and China, as well as the unresolved trade tariff negotiations between the US and many of its trading partners.

## In Appreciation

I would like to thank every member of the Board for their contribution and collaboration in guiding the Group through a volatile year in 2025. I would like to convey my heartfelt appreciation to each staff member for their hard work and commitment to growth and to achieve positive outcomes in all that we do.

Lastly, to our shareholders, thank you for journeying with us and being an integral part of our ongoing journey to lay a strong foundation for our future. The milestones that we have achieved not only in the past year but the years before would not have been possible without your trust. The Group will continue to explore opportunities in the Manufacturing and Dealership businesses to grow our revenue, operating margins, and capital efficiency to create value for all our shareholders.

**Ms Wong Keat Yee**  
EXECUTIVE CHAIRWOMAN,  
HEAD OF OPERATIONS  
& MANUFACTURING



# BUSINESS SEGMENTS

## MANUFACTURING

The Group currently operates a total of five manufacturing facilities, consisting of four manufacturing and assembly plants located in Balakong, Selangor and Kulim, Kedah; and one warehouse located in Alor Gajah, Malacca, Malaysia.

Following the completion of solar panels on the roof of one of the manufacturing plants in Balakong, Selangor, Malaysia in December 2021, the Manufacturing Business benefitted by reducing its (i) overhead expenses and (ii) overall carbon footprint. The Group is actively focusing on its sustainability practices and is constantly exploring more Environmental, Social and Governance (“ESG”) efforts to contribute to Malaysia’s pledge of achieving net-zero emissions by 2050. In addition,

the Group manufactures a variety of Thermobonded Felts with a range of NVH properties, which are used in the production of both its NVH and non-NVH products. By producing these felts in-house, the Group reduces its reliance on externally sourced materials, optimises material usage and minimises transportation needs, thereby contributing to a lower overall carbon footprint and further supporting the Group’s sustainability goals.

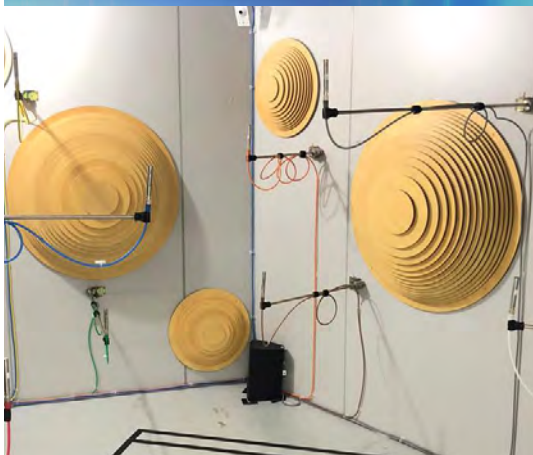
The Group’s products are developed and tailored to each customer’s car marque and are typically supplied for the entire lifecycle of the car model. Today, MeGroup is an approved supplier for several major automobile manufacturers in Malaysia. It is also an approved supplier to a global air-conditioning manufacturer whom the Group has been supplying products to since January 2019.

### 01

#### Research and Development (“R&D”) Capabilities

The Group has an R&D lab capable of conducting several tests, such as tensile and bending strength tests, flame/fire properties tests, heat and water resistance tests, and peeling and shearing tests.

Additionally, MeGroup has its own acoustic sound test lab, making it the only NVH manufacturer in Malaysia with such a facility. The sound test lab can perform sound absorption tests and sound insulation loss tests for internal R&D activities and offers these services to third parties as well.



### 02

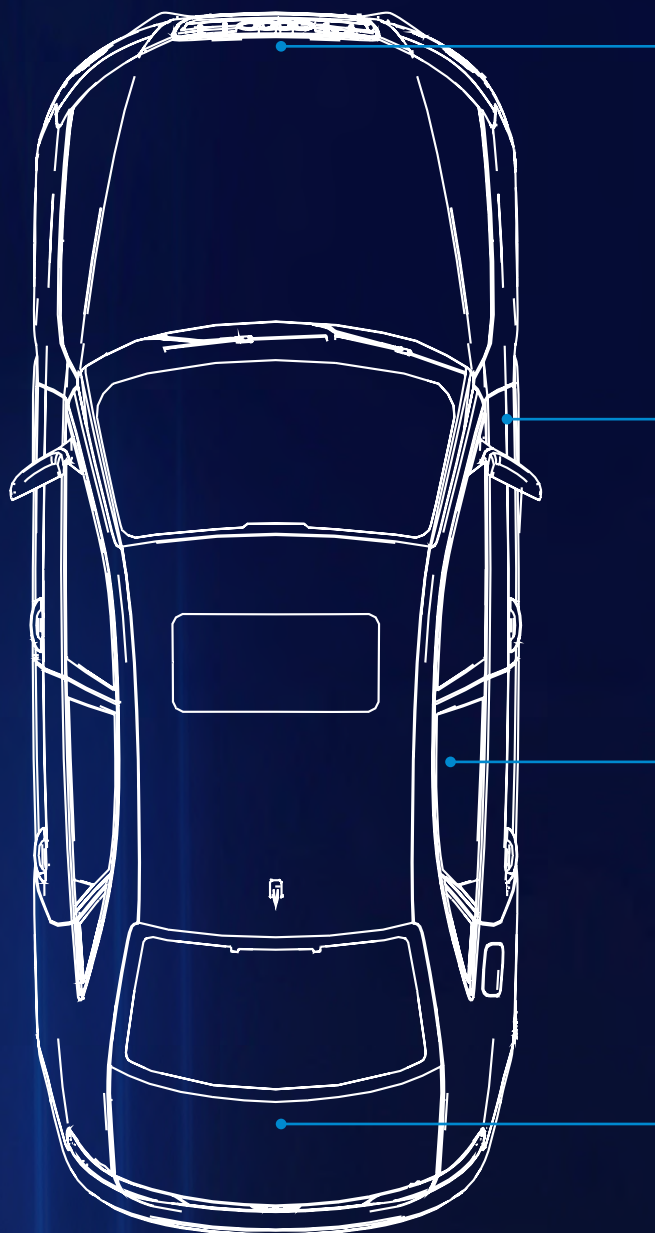
#### Thermobonded Felt

MeGroup’s Thermobonded Felts are made from a mixture of thermoplastic and non-thermoplastic fibers bonded together through the application of thermal heat. By varying the composition of the fibers, the Group can produce Thermobonded Felts with a range of properties to meet each customer’s specific NVH requirements.



## 03

## NVH Components and Non-NVH Components



## 01

## ENGINE COMPARTMENT INSULATION

A range of engine compartment insulation components such as hood insulators and dash outer insulators are incorporated into the hoods and engine casings of automobiles to reduce sound emission, vibrations, and heat from the engine into the environment and interior cabin of the automobile.

## 02

## EXTERIOR BODY SHIELDING SYSTEMS

Exterior body shielding systems are integrated into the undercarriage of automobiles to insulate the interior cabin from external noise and vibrations. Additionally, these systems play a role in influencing the aerodynamic performance of the vehicle.

## 03

## INTERIOR SYSTEM INSULATION

Interior system insulation components such as inner dash systems, headliners, floor carpeting, and silencer floors are incorporated in the automobiles to insulate the cabin.

## 04

## TRUNK SYSTEMS

MeGroup manufactures trunk systems, including trunk floors and trunk side liners, available in a variety of coverings. The trunk systems are used to line the boots of automobiles.

## 06 BUSINESS SEGMENTS

### DEALERSHIP

**Dealership Business** is a vital segment of the Group that continues to drive growth and profitability. Presently, MeGroup operates 14 dealership outlets under eight renowned brands: GWM, Honda, Jaecoo, Jetour, Mazda, MG Motor, Mitsubishi Motors, and Peugeot. This diverse brand portfolio is able to cater to a broad customer base, targeting various market segments and consumer preferences.

The dealership operations provide a holistic range of sales and support from 3S to 4S and body and paint centres for their valued customers:

#### Vehicle Sales:



Vehicle sales continues to be the primary revenue driver. The strong brand partnerships and extensive inventory are able to meet diverse customer needs, from economy to luxury vehicles.

#### After-Sales Services:



This department offers a comprehensive range of after-sales services, including regular maintenance, repairs, and parts replacement. These services are crucial for customer satisfaction and retention.

#### Insurance Solutions:



A crucial part of the business is to offer tailored insurance solutions to customers, in partnership with leading insurers. This offering enhances customer experiences and generate additional revenue through commissions.

#### Mobility-as-a-Service (MaaS):



Through Flux, an innovative car leasing platform that provides flexible vehicle usage options, capitalising on any unsold inventory. This service meets the growing demand for mobility solutions and contributes to revenue diversification.

#### Accident Repair and Insurance Claims:



MeGroup's dealerships also offer accident repair services and handle insurance claims. This segment provides a vital service to customers and "peace-of-mind" when driving.

### DEALERSHIP CATEGORY:

1S  
SALES

2S  
SERVICE &  
SPARE PARTS

3S  
SALES, SERVICE &  
SPARE PARTS

4S  
SALES, SERVICE,  
SPARE PARTS &  
BODY & PAINT

B&P  
BODY & PAINT



FOCUS:

FEATURES:

PURPOSE:

**Vehicle Sales**

Showroom for new cars;  
Product consultation & test  
drive; financing & insurance  
coordination

Partners global car brands to  
establish a presence in niche  
markets across Malaysia



**After-Sales Support**

Routine maintenance & repair;  
genuine spare parts inventory

Serve existing customers'  
maintenance needs, especially  
in areas without full dealership  
services



**Full-Service Dealership Excluding Body Repair**

New vehicle sales;  
maintenance & warranty  
services; spare parts &  
accessories

Provide complete vehicle  
ownership experience from  
purchase to after-sales



MEGROUP LTD.

**Flagship / Premium Outlet**

All 3S services; in-house Body  
& Paint workshop (collision  
repair, spray painting &  
refinishing, dent removal &  
restoration, insurance claims)

Offer a one-stop automotive  
solution for vehicle owners



**Accident Repair & Cosmetic Restoration**

Spray booths, frame  
straightening, welding, colour  
matching; insurance claims

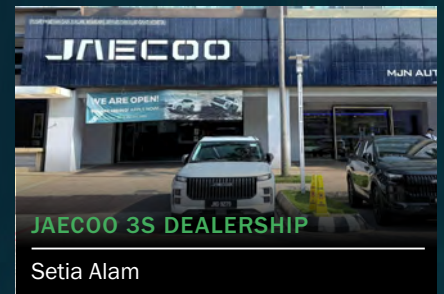
Restore vehicles to  
manufacturer standards or  
factory conditions; aim to  
return the vehicle to its original  
state as it left the assembly  
plant



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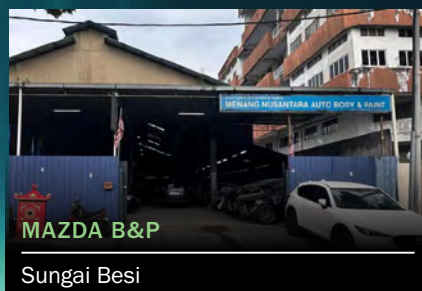
### 3S Dealerships:



### 4S Dealerships:



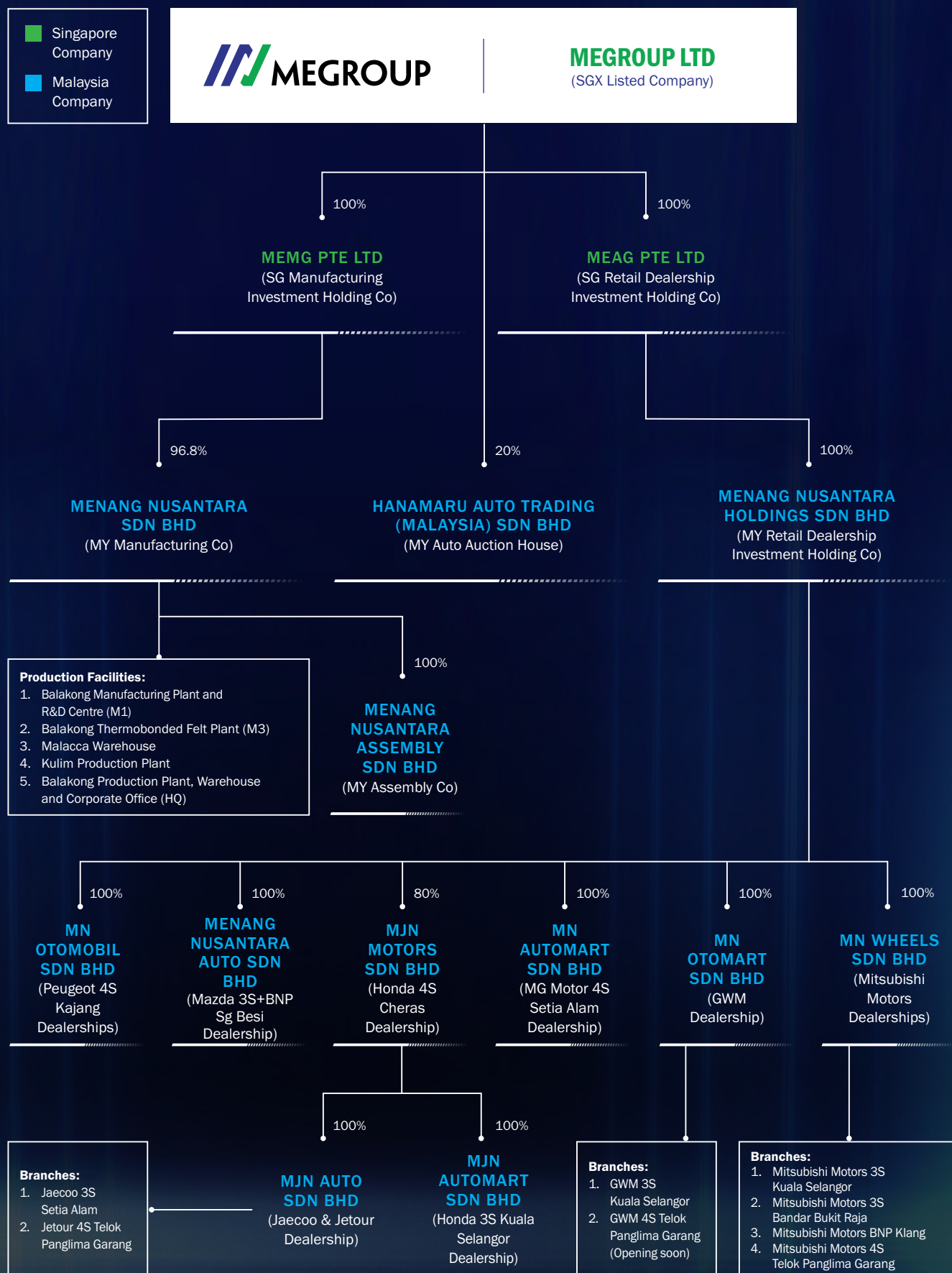
### Body & Paint Dealerships:





# CORPORATE STRUCTURE

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Updated as at 26 June 2025

MEGROUP LTD.

ANNUAL REPORT 2025

# CORPORATE MILESTONES

1995

- Founded on 30 March 1995 and operated out of a shophouse in Balakong
- Manufactured carpet flooring and other NVH parts for Proton's vehicles

1999

- Expanded manufacturing capacity with increased demand of NVH and non-NVH components
- Re-located to a larger facility

2000

- Qualified as an Approved Supplier of Perodua began supplying NVH and non-NVH parts for their vehicles

2001

- ISO 9002 certification for manufacturing interior parts for NVH insulations

2004

- Approved Supplier of Ford, Mazda and Nissan
- Group's first foray into international export Market

2008

- Re-located to M1 facility to keep up with growing demands of the Group's products

2011

- Enrolled into Kaizen programme to further improve manufacturing process

2012

- Launched 1st Mazda 3S dealership at Sungai Besi

2013

- Established Thermobonded Felt line at Main Manufacturing Plant

2015

- Launched 1st Peugeot 4S dealership at Kajang
- Approved Supplier for Mazda
- Accredited with ISO14001:2004 certification for environmental management systems

2017

- Launched 2nd Peugeot 3S dealership at Seremban
- Launched 1st 3S Honda dealership at Cheras

2018

- Received approval to upgrade 3S Honda dealership at Cheras to offer 4S services
- Launched 2nd 3S Honda dealership at Kuala Selangor
- Approved Supplier for Johnson Controls Hitachi
- Listed on the Singapore Exchange ("SGX") on 31 October
- Awarded 3rd Peugeot 3S dealership at Setia Alam

2019

- Completed acquisition of MJN Motors Sdn. Bhd.
- Awarded 1st Hyundai 3S dealership at Klang
- Awarded 1st Ford 3S dealership at Shah Alam

2020

- Awarded 1st Mitsubishi 3S dealership at Kuala Selangor
- Completed construction of sound test lab in M1
- Secured new manufacturing projects with Mitsubishi, Peugeot and Toyota

2021

- Awarded 2nd Mitsubishi 3S dealership at Bandar Bukit Raja
- Awarded 1st Proton 4S dealership at Telok Panglima Garang
- Embarked on solar power integration in manufacturing plant

2022

- Appointed by Honda Malaysia to be an authorised used car dealer
- Completion of the construction of the new manufacturing facility in Kulim Hi-tech Park.
- Awarded rights for second Mitsubishi outlet
- First Proton dealership achieved 4S status
- Acquired 20.0% in Hanamaru Auto Trading (Malaysia) Sdn Bhd (Hanamaru Auto Trading)

2023

- Featured in RHB's Singapore Top 20 Small Cap Jewels
- Secured Manufacturing projects with KIA
- Embarked on ESG in alignment with Malaysia's pledge to achieve net-zero emissions by 2050
- Awarded Body & Paint business by Mitsubishi Motors

2024

- Menang Nusantara Holdings Sdn Bhd appointed as MG Motor Dealer for the Setia Alam, Selangor Area, marking Group's first foray into the Electric Vehicle retailing space
- Appointment of the Jaecoo 3S dealership by Chery Auto Malaysia Sdn. Bhd.

2025

- Appointed Ms. Wong Keat Yee as Executive Chairwoman, Mr. Wong Sai Hou as Executive Director and Chief Executive Officer, and Mr. Wong Sai Keat as Executive Director heralding change in leadership succession
- Secured GWM 3S and 4S dealerships with Great Wall Motor Sales Malaysia Sdn. Bhd.
- Secured Jetour 4S dealership with Jetour Automobile Malaysia Sdn. Bhd.



# BOARD OF DIRECTORS

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## Ms Wong Keat Yee

EXECUTIVE CHAIRWOMAN  
HEAD OF OPERATIONS &  
MANUFACTURING

**APPOINTMENT DATE:**  
26 September 2018

Ms Wong was appointed as Executive Director on 26 September 2018 and subsequently appointed as Board Chairwoman on 30 August 2024. She is responsible for the Group's overall management and operations while driving the Group's vision and business strategies. She also leads the Group in sustainability, Corporate Social Responsibility ("CSR") and spearheads its ISO14001 and other lab certifications.

She first joined the Group as an Executive in the production and planning department of the Manufacturing Business in 2001 and had been serving as its Executive Director since 26 September 2018. She is responsible for the overall operations of the Manufacturing Business, including overseeing the Group's human resources, purchasing and procurement departments. She is also responsible for the Manufacturing Business' supply chain strategy. Under her stewardship, she spearheaded the Group's efforts to obtain the ISO 9002 accreditation in 2001 and the ISO/TS 16949:2009 accreditation in 2014 and oversaw the revamp of the Group's purchasing and production departments. She also pioneered the Group's "Kaizen" initiatives and is the Chairlady of the Group's "Kaizen" and "5S" practice committees to improve workplace productivity.

Ms Wong is a graduate from the South Australian Matriculation pre-university program conducted by Taylor's College, Malaysia in 1998.

### OTHER DIRECTORSHIPS AND/OR PRINCIPAL COMMITMENTS

Director, Menang Nusantara Sdn. Bhd.  
Director, MeAG Pte. Ltd.  
Director, MeMG Pte. Ltd.  
Director, MN Otomobil Sdn. Bhd.  
Director, MN Automart Sdn. Bhd.  
Director, MN Otomart Sdn. Bhd.  
Director, MN Wheels Sdn. Bhd.



## Mr Wong Sai Hou

CHIEF EXECUTIVE OFFICER ("CEO")  
EXECUTIVE DIRECTOR  
HEAD, GROUP EXPANSION & STRATEGY  
HEAD OF DEALERSHIPS

**APPOINTMENT DATE:**  
30 August 2024

Mr Wong was appointed as Executive Director and CEO on 30 August 2024. He assumes key responsibilities for the Group's overall management and operations, including formulating the Group's strategic direction and expansion plans to grow both the Manufacturing and Dealership businesses.

He first joined the Group in 1999 as a Product Executive in the Manufacturing Business. He has committed to continue his responsibilities in overseeing and setting the growth and expansion strategies of both the Group's Manufacturing Business and the Dealership Business. He has also been instrumental in developing the Group's Dealership Business, overseeing both the operations and management of the Group's dealerships.

Mr Wong graduated from the University of Melbourne with a Degree in Engineering in 1998.

### OTHER DIRECTORSHIPS AND/OR PRINCIPAL COMMITMENTS

Director, JCWW Holdings Pte. Ltd.  
Director, JCWW Sdn. Bhd.  
Director, Menang Nusantara Sdn. Bhd.  
Director, Menang Nusantara Holdings Sdn. Bhd.  
Director, Menang Nusantara Auto Sdn. Bhd.  
Director, MJN Motors Sdn. Bhd.  
Director, MJN Auto Sdn. Bhd.  
Director, MJN Automart Sdn. Bhd.  
Director, MN Automart Sdn. Bhd.  
Director, MN Otomart Sdn. Bhd.  
Director, MN Wheels Sdn. Bhd.  
Director, JTW General Sdn. Bhd.



## Mr Wong Sai Keat

EXECUTIVE DIRECTOR  
HEAD OF ENGINEERING,  
MANUFACTURING, R&D

**APPOINTMENT DATE:**  
30 August 2024

Mr Wong was appointed as Executive Director on 30 August 2024. He first joined the Group in 2004 as a Programme Engineer. He oversees the engineering function of the Manufacturing Business, and maintains his responsibilities for the product development department, ensuring that the physical properties of the Thermobonded Felt products meet the requirements of the customers as well as developing new applications for the Thermobonded Felts. His ongoing responsibilities includes supporting the respective Heads of Sales and Manufacturing Business, to maintain and grow the Group's strategic relationships with customers, principals and suppliers, focusing on expanding the overall business internationally outside of Malaysia.

Mr Wong graduated from the University of Melbourne with a Degree in Computer Science in 2003.

### OTHER DIRECTORSHIPS AND/OR PRINCIPAL COMMITMENTS

Director, MeAG Pte. Ltd.  
Director, MeMG Pte. Ltd.  
Director, Menang Nusantara Sdn. Bhd.  
Director, MN Otomobil Sdn. Bhd.  
Director, Hanamaru Auto Trading (Malaysia) Sdn. Bhd.



**Mr Chee Teck Kwong Patrick**

**LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR**

Nominating Committee - Chairman  
Audit Committee - Member  
Remuneration Committee - Member

**APPOINTMENT DATE:**  
26 September 2018

Mr Chee holds a Bachelor of Laws (Honours) Degree from the University of Singapore. He is an Advocate and Solicitor of the Supreme Court of Singapore and a Solicitor of the senior courts of England and Wales. He has been in private legal practice since 1980 and is now a Senior Legal Consultant with Tito Isaac & Co LLP, a law firm providing legal services in Singapore and cross-border services in collaboration with a network of lawyers in overseas jurisdictions. His areas of practice are corporate and commercial matters, banking and finance, cross-border joint ventures and investments, mergers and acquisitions, setting up of family offices and listing of companies. He has also advised on property law and has handled several landmark development projects in Singapore, Indonesia, Malaysia, Vietnam and China. He also conducts civil litigation and arbitration proceedings.

Mr Chee is a member of the Law Society of Singapore, Singapore Academy of Law, The Law Society of England and Wales, Singapore Institute of Arbitrators, and Singapore Institute of Directors. He had served in the sub-committee of the National Crime Prevention Council, Singapore and worked with the National Productivity Board, Singapore in developing and seeing the successful launch of some well-known franchises in Singapore in the early 1990s. From 2002 to 2013, he was the Organising Chairman of the 'National Street Soccer League - Lee Hsien Loong Challenge Trophy'

Mr Chee serves as Honorary Legal Advisor to several big clans and trade associations in Singapore. He is also a recipient of the National Day Awards 2003 - 'The Public Service Medal (Pingat Bakti Masyarakat)' from the President of Republic of Singapore.

**OTHER DIRECTORSHIPS AND/OR  
PRINCIPAL COMMITMENTS**

Independent Director, QAF Limited  
Lead Independent Director, Sheng Shiong Group Ltd.  
Independent Director, Noel Gifts International Ltd.  
Senior Consultant, Tito Isaac & Co LLP



**Mr Edmund Lai Sou Wei**

**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Audit Committee - Chairman  
Nominating Committee - Member  
Remuneration Committee - Member

**APPOINTMENT DATE:**  
26 September 2018

Mr Lai has more than 13 years of corporate recovery experience with Deloitte Malaysia, focusing on corporate debt recovery, financial monitoring and restructuring. During his stint with Deloitte Malaysia, He was involved in a variety of restructuring exercises including debt restructuring for companies, special administration of companies and other insolvency administration work such as receivership and liquidation. His experience spans from industries such as property development, property management, construction to manufacturing sectors. Harnessing five years of experience in providing independent whistleblowing services and leading Deloitte Malaysia's whistleblowing services division from 2013 to 2017. He left Deloitte Malaysia in June 2017 to establish his own financial advisory firm providing various corporate advisory services, including corporate debt recovery and independent whistleblowing services.

Mr Lai graduated with a Bachelor of Commerce in Accounting and Finance from Monash University in 1999.

**OTHER DIRECTORSHIPS AND/OR  
PRINCIPAL COMMITMENTS**

Director, Polaris Corporate Solutions Sdn. Bhd.  
Director, Idris Hydraulic (Malaysia) Berhad





### Mr Benjamin Choo Chih Chien

INDEPENDENT NON-EXECUTIVE DIRECTOR

Remuneration Committee - Chairman  
Audit Committee - Member  
Nominating Committee - Member

#### APPOINTMENT DATE:

26 September 2018

Mr Choo began his career with the financial services department of Allen & Gledhill in 2001. In 2003, he joined Edmond Pereira & Partners, focusing on white collar criminal litigation, general regulatory and corporate advisory work. In 2005, he joined the corporate team of TSMP Law Corporation and worked his way upwards towards a Director role in 2009. Since 2018, He has been serving as a Director at Genesis Law Corporation specialising in mergers and acquisitions, joint ventures, securities regulations and fintech advisory work.

Mr Choo graduated from the National University of Singapore in 2001 with a Bachelor of Laws (Honours) (LLB).

Mr Choo's work in the legal field had been recognised by The Asia Pacific Legal 500 (2007/2008, 2008, 2009 and 2009/2010 Editions). He is also listed in Chambers Asia Pacific 2011 as a "Leading Individual - Investment Funds: Domestic Firms." Also, he has been a member of both the Inquiry Panel constituted under the Legal Profession Act since 2011, and the Complaints and Disciplinary Panel constituted under the Accountants Act from 2010 to 2014.

Mr Choo serves on the Board of Talent Beacon Community Care Limited, which runs education and social programs for children and youth from underprivileged families.

#### OTHER DIRECTORSHIPS AND/OR PRINCIPAL COMMITMENTS

Director, Genesis Law Corporation  
Director, Talent Beacon Community Care Limited  
Director, PT Property Gamma Investment Pte. Ltd.  
Director, Global Beacon Pte. Ltd.  
Director, Bloom Technologies Pte. Ltd.  
Director, Bongloy Holdings Pte. Ltd.  
Director, Tasmine Ventures Pte. Limited  
Independent Director, Overseas Education Limited  
Independent Director, Vantage Corp



### Mr Chong Kwea Seng

INDEPENDENT NON-EXECUTIVE DIRECTOR

Audit Committee - Member  
Nominating Committee - Member  
Remuneration Committee - Member

#### APPOINTMENT DATE:

2 January 2021

Mr Chong had held various senior management positions since 1978. At Sime Darby Industrial Sdn Bhd ("SDI"), he was first promoted to Sales Director in 2002 and later to Managing Director in 2006. In 2006, he was also appointed as Managing Director of China Engineers Ltd - SDI's Caterpillar Dealer in Hong Kong and China. During this time, he acquired valuable international experience working alongside key decision makers across USA, Japan and Europe, as well as chaired multiple joint venture companies setup by SDI. He has also gained valuable business experience and relations in China over the years at SDI.

Mr Chong holds a Bachelor of Science in Mechanical Engineering with First Class Honours from Heriott-Watt University, United Kingdom and a Diploma in Mechanical Engineering with First Class Honours from University Teknologi Malaysia.

Mr Chong was conferred with Caterpillar's inaugural "Global Excellence Award" in 2015.

#### OTHER DIRECTORSHIPS AND/OR PRINCIPAL COMMITMENTS

Independent Director, Hap Seng Plantations Holdings Berhad

# SENIOR LEADERSHIP TEAM



**Mr Wong Cheong Chee**

GROUP SENIOR ADVISOR

**APPOINTMENT DATE:**  
30 August 2024

After leading the Group for more than 30 years since 1995, Mr Wong has decided to step down from his role as Executive Chairman and CEO on 30 August 2024. Throughout the years, he has been instrumental in driving the Group's growth, leading to the expansion of both the Manufacturing Business and the Group's operations. He will continue to serve the Group as a Senior Advisor, tapping into over 40 years of his experience in the manufacturing industry, as well as ensuring a smooth transition of leadership and succession plan.

Prior to joining the Group, he was one of the founders of Paragon Union Berhad, a company listed on Bursa Malaysia in the business of manufacturing and distributing automotive components including commercial carpets and noise, vibration and harshness ("NVH") interior and insulator trims.

Mr Wong graduated from the University of Malaya with a Degree in Mechanical Engineering in 1970.



**Mr Abdul Razak Bin Montel**

HEAD OF SALES & MANUFACTURING

**APPOINTMENT DATE:**  
30 March 1995

Mr Razak is one of the founding member of the Group, establishing Menang Nusantara Sdn. Bhd. in 1995. Currently, He is responsible for the sales and marketing of the Manufacturing Business. With over 30 years of experience in the industry, he has been instrumental in the growth of the Manufacturing Business, and focuses on maintaining and growing the Group's strategic relationships with its customers, principals and suppliers within Malaysia.

Mr Razak started his career in Carpet International Sdn. Bhd. as a Sales Executive in 1987. Subsequently, he joined Union Carpet Industry Sdn. Bhd., which was later renamed Paragon Union Berhad, where he was promoted to Sales Manager.

Mr Razak graduated from Sekolah Aminuddin Baki, Johor Bahru, Johor in 1978 with a Malaysia Certificate of Education (Sijil Pelajaran Malaysia).



**Mr Felix Cheah Yao Jian**

CHIEF FINANCIAL OFFICER ("CFO")

**APPOINTMENT DATE:**  
31 December 2019

Mr Cheah first joined the Group in 2019 as Group Financial Controller and was subsequently promoted to CFO in 2023. He is responsible for all the Group's financial reporting, accounting and corporate matters.

Prior to joining the Group, Mr Cheah served as a Senior Manager in the Corporate Finance and Investment – Equities Department at the Securities Commission Malaysia. He began his professional career at Baker Tilly Malaysia, where he was attached to the Audit and Assurance Division from 2008 to 2017. In 2012, he was seconded to Baker Tilly UK Audit LLP, now known as RSM UK. In January 2017, he joined 7-Eleven Malaysia Berhad as the Group Financial Reporting Manager.

Mr Cheah holds a Bachelor of Commerce (Hons) in Accounting from Universiti Tunku Abdul Rahman. He is also a Chartered Accountant of the Malaysian Institute of Accountants and a Fellow Member of the Certified Practising Accountant by CPA Australia.





For FY2025, the Group's revenue decreased by approximately RM66.02 million or 14.4% from RM458.64 million in FY2024 to RM392.62 million in FY2025. In line with the decrease in Group revenue, net profit after tax also decreased by approximately RM2.03 million or 22.6% from RM9.00 million to RM6.97 million.

Revenue from our manufacturing business decreased by RM7.92 million or 9.83% from RM80.53 million in FY2024 to RM72.61 million in FY2025, due to a decline in sales orders for existing models and a delay in mass production of new projects by the customers. Revenue from the dealership business decreased by RM58.10 million or 15.4% from RM378.11 million in FY2024 to RM320.01 million in FY2025, due mainly to a drop in vehicle sales, as customers adopted a wait and see approach towards the introduction of new brands and models. This was particularly prominent in the influx of Chinese-made vehicles in Malaysia.

Gross profit decreased by approximately RM0.04 million or 0.1% from RM48.34 million in FY2024 to RM48.30 million in FY2025. The slight decrease was due to a decrease in gross profit of

approximately RM1.83 million from RM20.47 million in FY2024 to RM18.64 million in FY2025 from the manufacturing business. However, this was offset by an increase in gross profit of approximately RM1.79 million from RM27.87 million in FY2024 to RM29.66 million in FY2025 from the dealership business.

Gross profit margin increased by 1.8 percentage points from 10.5% in FY2024 to 12.3% in FY2025. On a segmental level, the gross profit margin of the dealership business increased by 1.9 percentage points from 7.4% in FY2024 to 9.3% in FY2025 mainly due to an increase of revenue in after-sales automobile services in FY2025 which commands a higher margin as compared to automobile sales. The gross profit margin of the manufacturing business increased by 0.3 percentage points from 25.4% in FY2024 to 25.7% in FY2025, primarily driven by internal cost control measures and an increased supply of higher-margin products.

Other income increased by approximately RM0.51 million or 62.9% from RM0.81 million in FY2024 to RM1.32 million in FY2025. The increase was mainly due to the recognition of a business

development fund received from a non-related party, an increase in incentives received from a principal and bank interest income. This was in turn partially offset by the decrease in government grant income.

Other gains decreased by approximately RM3.64 million or 82.8% from RM4.40 million in FY2024 to RM0.76 million in FY2025. The Group recorded gain on disposal of property, plant and equipment amounting to RM0.13 million in FY2025, compared to RM4.58 million in FY2024. In FY2025, the Group also recorded a realised foreign exchange gain of RM0.53 million, in contrast to a realised foreign exchange loss of RM0.13 million in FY2024.

Administrative expenses increased by approximately RM0.11 million or 0.4% from RM24.98 million in FY2024 to RM25.09 million in FY2025. The increase was mainly due to the increases in the upkeep of office and showroom, depreciation expenses, staff welfare & benefits, insurance expenses, security expenses and professional fees. This was offset by the decreases in directors' remuneration, stamp duty, salary expenses, entertainment expenses, medical fee expenses, travelling &

## REVENUE

**RM392.62 MILLION**



## GROSS PROFIT

**RM48.30 MILLION**



accommodation expenses and bank charges. Finance expenses increased by approximately RM1.01 million or 22.2% from RM4.53 million in FY2024 to RM5.54 million in FY2025, mainly due to increases in term loan and floor stock financing interest and interest on lease liabilities.

As a result of the above factors, the Group recorded a profit before tax of RM10.05 million in FY2025 compared to a profit before tax of RM14.55 million in FY2024.

On the Group's balance sheet as at 31 March 2025, total assets stood at RM180.85 million compared to RM187.09 million a year ago. The decrease was mainly due to decreases in trade and other receivables, inventories, offset by increases in cash and cash equivalents, as well as right-of-use and property, plant and equipment.

Total liabilities stood at RM118.53 million at 31 March 2025 compared to RM134.02 million as at 31 March 2024. The decrease was mainly attributable to decreases in trade and other payables and short-term borrowings which was

offset by increases in lease liabilities and deferred tax liabilities.

The Group's equity increased to RM62.31 million as at 31 March 2025 from RM53.08 million a year ago due to the total comprehensive income generated during the financial year amounting to RM6.97 million, and the addition in capital reserve in relation to the disposal of 3.2% stake in Menang Nusantara Sdn Bhd to Hirotani Co., Ltd amounting to RM3.20 million. However, this was offset by interim dividend paid during the financial year amounting to RM0.93 million.

Net Asset Value or NAV per share stood at 49.60 Sen as at 31 March 2025 compared to 43.08 Sen as at 31 March 2024.

The Group's cash and cash equivalent stood at RM20.31 million as at 31 March 2025 compared to from RM15.76 million as at 31 March 2024.

Net cash generated from operating activities stood at approximately RM26.75 million mainly due to operating profit before changes in working capital, decreases in trade and other receivables

and inventories offset by decreases in trade and other payables. Income tax amounting to RM2.91 million was paid based on the estimated tax payable, offset by an income tax refund due to overpayment in prior years.

Net cash used in investing activities amounted to approximately RM8.16 million mainly due to the additions to property, plant and equipment and addition in right-of-use assets, which were partially offset by the proceeds from disposal of interest in subsidiaries, proceeds from the disposal of right-of-use assets and property, plant and equipment, and interest received from financial institutions.

The Group recorded net cash used in financing activities amounting to RM14.56 million due to fixed deposits pledged, repayment of bank borrowings, repayment of lease liabilities, dividend payment, and interest paid during the financial year. These were partially offset by a drawdown of bank borrowings amounting to RM5.62 million.



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# 18 CORPORATE GOVERNANCE REPORT

The Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) issued by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) require an issuer to describe in its annual report its corporate governance practices with specific reference to the principles and the provisions of the Code of Corporate Governance 2018 (“**Code**”). An issuer must comply with the principles of the Code. Where an issuer’s practices vary from any provisions of the Code, it must explicitly state, in its annual report, the provision from which it has varied, explain the reasons for variation, and explain how the practices it had adopted are consistent with the intent of the relevant principle.

The Board of Directors (the “**Board**”) and the Management (the “**Management**”) of MeGroup Ltd. (“**MeGroup**” or the “**Company**”) wish to assure its shareholders that they are committed to maintaining a high standard of corporate governance to protect the interests of shareholders, employees and other stakeholders, and to promote investors’ confidence.

In accordance with Rule 710 of the Catalist Rules, this Corporate Governance Report (the “**Report**”) sets out the Company’s corporate governance practices for the financial year ended 31 March 2025 (“**FY2025**”) with specific reference to the principles and the provisions of the Code, which have been adopted based on the Code.

The Company has complied with the principles of the Code. This report sets out the Group’s key corporate governance practices with reference to the Code, where appropriate. Where there are deviations from the provisions of the Code, appropriate explanations have been provided.

The Code is divided into five main sections, namely:

- A. Board Matters**
- B. Remuneration Matters**
- C. Accountability and Audit**
- D. Shareholder Rights And Engagement**
- E. Managing Stakeholders Relationships**

## **A. Board Matters**

### **THE BOARD’S CONDUCT OF AFFAIRS**

*Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.*

The Board’s principal roles include promoting long-term shareholder value, ensuring that the businesses of the Company and its subsidiaries (collectively referred herein as the “**Group**”) are effectively managed and properly conducted by Management and ensuring proper observance of corporate governance practices, which includes setting of code of conduct and ethics, appropriate tone-from-the-top and desired organisational culture, and ensure proper accountability within the Group.

All Directors have the fiduciary duty to act objectively in the best interests of the Company and hold Management accountable for performance. Where the Director faces a conflict or potential conflict of interest, he or she will immediately declare his or her interest at the meeting of the Directors or send a written notice to the Company, setting out the details of his or her interest and the conflict, and recuse himself and herself from discussions and decision involving the issues of conflict.



# CORPORATE GOVERNANCE REPORT

In addition to statutory duties and responsibilities, the Board's duties, including the matters to be approved by the Board are set out as follows:

- (a) providing entrepreneurial leadership and setting strategic directions;
- (b) reviewing and approving key business and financial strategies and objectives for the Group;
- (c) reviewing and approving major corporate and/or financial restructuring and/or share issuance;
- (d) reviewing and approving major transactions, including acquisitions, divestments, investments and capital expenditure;
- (e) ensuring internal controls are in place and functional for the Group's continuing operations and enables risks to be assessed and managed;
- (f) overseeing risk management strategies;
- (g) reviewing and approving the annual budget;
- (h) reviewing and approving half yearly and full year annual results announcements;
- (i) reviewing and approving the annual report and audited financial statements;
- (j) reviewing and approving the sustainability report;
- (k) reviewing and providing guidance to the Management of the Company;
- (l) ensuring the adequacy of necessary financial and human resources to meet the Group's objectives;
- (m) establishing and maintaining the Company's values and standards and ensuring obligations to shareholders and others are understood and met;
- (n) approving nominations to the Board and appointments of key management personnel;
- (o) ensuring the Group's compliance with all relevant and applicable laws and regulations;
- (p) assuming responsibility for the corporate governance of the Company; and
- (q) setting the Group's values and standards, which includes, code of conduct and ethics, tone-from-the-top and desired organisational culture.

The Board has set up three committees to assist in the execution of the Board's responsibilities. These committees include the Nominating Committee ("**NC**"), Remuneration Committee ("**RC**") and Audit Committee ("**AC**") (collectively, "**Board Committees**"). Each of the Board Committees carry out its functions within clear written terms of its respective Terms of Reference ("**TOR**"). The NC is tasked to review the effectiveness of the Board, Board Committees as well as each individual Director annually and report its findings to the Board annually.

The Board's approval is required for all major matters such as corporate restructuring, mergers and acquisitions, investments, acquisitions and disposals of assets, major corporate policies on key areas of operations, the release of the Group's half yearly and full year annual results, interested person transactions of a material nature, and declaration of dividend. All other matters are delegated to Board Committees whose actions are reported to and monitored by the Board. The matters delegated are listed out in the TOR of each Board Committees. The TOR of the respective Board Committees, as well as the other relevant information on the Board Committees can be found in the subsequent sections of this Report.

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CORPORATE GOVERNANCE  
REPORT

In the event that a Director is interested in any transactions of the Group, he or she shall be obliged to inform the Board accordingly and abstain from making any recommendations or decisions in relation to that transaction.

Directors’ Attendance at Board, Board Committees Meetings and Other Additional Meetings

The Board meets at least two times each year and at other times as and when required. Board Committees meet at certain time periods in accordance with their respective TOR or as and when needed.

Meetings are held in person and by telephone or video conference to enable the widest possible participation by Directors, taking into account those who may be in different geographical locations. The Directors can meet the Management in person or discuss via email, telephone and/or video conference. Where a decision has to be made before a Board meeting or Board Committee’s meeting is convened, directors’ resolutions in writing are circulated in accordance with the Constitution of the Company and the Directors are also provided with all relevant, adequate and timely information and documents to allow them to make informed decisions and discharge their duties and responsibilities.

The attendance of the Directors at meetings of the Board and Board Committees and the Annual General Meeting (“AGM”) during FY2025 is as follows:

NAME OF DIRECTOR	BOARD	AC	NC	RC	AGM
Number of Meetings Held	2	2	1	1	1
Number of Meetings Attended					
Wong Cheong Chee <sup>(1)</sup>	1	N.A.	N.A.	N.A.	1
Wong Keat Yee	2	N.A.	N.A.	N.A.	1
Wong Sai Hou <sup>(2)</sup>	1	N.A.	N.A.	N.A.	N.A.
Wong Sai Keat <sup>(3)</sup>	1	N.A.	N.A.	N.A.	N.A.
Chee Teck Kwong Patrick	2	2	1	1	1
Benjamin Choo Chih Chien	2	2	1	1	1
Edmund Lai Sou Wei	2	2	1	1	1
Chong Kwea Seng	2	2	1	1	1

N.A. – Not Applicable

Notes:

- (1) Mr Wong Cheong Chee resigned as Executive Chairman and Chief Executive Officer of the Company on 30 August 2024.
- (2) Mr Wong Sai Hou appointed as Executive Director and Chief Executive Officer of the Company on 30 August 2024.
- (3) Mr Wong Sai Keat appointed as Executive Director of the Company on 30 August 2024.

In FY2025, all Directors attended and actively participated in the meetings of the Board and Board Committees of the Company. All Directors, including Directors with multiple board representations had ensured sufficient time and attention were given to the affairs of each company. Other than the formal meetings of the Board and Board Committees, the Board also discussed the Company’s affairs regularly through electronic communication and/or informal meetings as and when deemed necessary.

The Company also has in place orientation programmes for newly appointed Directors to ensure that they are familiar with the Group’s structure, the Group’s business, and its operations. New Director(s) will be expected to undergo orientation with the Company which includes meeting with the Executive Chairwoman, Chief Executive Officer and/or the Executive Director for an introduction to the business of the Company. A new Director appointed who has no prior experience as a Director of an issuer listed on SGX-ST will undergo mandatory training in his/her roles and responsibilities as prescribed by the SGX-ST to meet the mandatory training requirements under Rule 406(3)(a) and Practice Note 4D of the Catalist Rules, unless the NC is of the view that training is not required because he/she has other relevant experience.



# CORPORATE GOVERNANCE REPORT

In FY2025, Mr Wong Sai Hou (“**Mr Jeff Wong**”) and Mr Wong Sai Keat (“**Mr William Wong**”) were newly appointed as Executive Directors of the Company.

Mr Jeff Wong has been with the Group since 1999 and served as the Head of Group Expansion & Strategy, and Head of Dealership of the Group prior to his appointment as Executive Director and Chief Executive Officer of the Company. Mr William Wong has been with the Group since 2004 and served as the Head of Engineering and R&D, Manufacturing of the Group prior to his appointment as Executive Director of the Company. Both of them are well acquainted with the Group’s structure, business, and operations.

Both Mr Jeff Wong and Mr William Wong are first-time directors. Mr William Wong has completed the training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. Mr Jeff Wong 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.

The Company recognises the importance of appropriate training for the Directors, apart from the initial orientation. Directors are updated on amendments/requirements of the Catalist Rules and other statutory and regulatory requirements from time to time, to enable them to discharge their duties effectively, they also kept informed of the relevant laws, regulations and changing commercial risks (including update on the real estate development in Malaysia) from time to time. To keep abreast with changes and developments in rules, regulations and the business environment, the Company encourages its Directors to update themselves on new laws, listing requirements, regulations and changing commercial risks in the industry. The cost of such training will be borne by the Company.

Some key briefings, updates and/or trainings attended by the Directors collectively for FY2025 as follows:

COURSES, CONFERENCES AND SEMINARS NAME
How the New EU Deforestation Regulation Affects Your Business
A Focus on Tax Transparency – ESG & Beyond
Model Risk Management for AI – Challenges & Opportunities
Cybersecurity Oversight – Board Responsibilities in Light of Cybersecurity Bill 2024
Geopolitical Risk and the Strategic Imperatives for Boards and C-Suite
Transfer Pricing 2024 – Evolution or Revolution?
Leasing of Retail Premises -From Contract to Status
Practical Course on Stamp Duty Rules for Common Real Estate Transactions

The external auditors also briefed the AC members on the developments in accounting standards (where applicable) during AC meetings whilst the Company Secretary periodically updates the Board on any changes in the requirements of the Companies Act 1967 of Singapore (“**Companies Act**”), Catalist Rules and corporate governance in Singapore as well as those pertaining to the roles and responsibilities of a director of a listed company.

In order to ensure that the Board is able to contribute in a meaningful manner during Board and/or Board Committees meetings, the Management provides the members of the Board with relevant background information and documents relating to the items of business to be discussed at each meeting, such as copies of disclosure documents, budgets and forecasts before the scheduled meeting. Key information relating to the Company’s operations and finances are also circulated to the Board via email so that the Directors may monitor with ease the Company’s performance as well as the Management’s fulfilment of goals and objectives set by the Board.

The Directors are also regularly briefed by the Management of the Company on the business activities of the Company. The Directors are responsible for the Company’s strategic directions as well as its corporate practices and are accordingly briefed by the Management of the Company on the day-to-day implementation of such strategic directions and corporate practices.

The Directors have separate and independent access to the Management of the Company, including but not limited to all Executive Directors, the Chief Financial Officer (“**CFO**”) and the Company Secretary.

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The Company Secretary attends all meetings of the Board and the Board Committees and prepares the minutes of such meetings. The minutes of such meetings are then circulated to the Board and the Board Committees, as the case may be.

The Company Secretary also advises the Board on governance matters and ensures that the procedures for such meetings are in accordance with the Constitution and TOR and all applicable rules and regulations (including the requirements of the Companies Act and the Catalist Rules) are complied with. Further to the above, the Company Secretary helps to facilitate communications within the Board and the Board Committees and between Management and the Directors. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

The Company allows Directors to take independent professional advice on matters affecting the Company at the Company's expense. Further to the above, Directors have unrestricted access to the Company's records and information.

## BOARD COMPOSITION AND GUIDANCE

*Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.*

### Board of Directors

As at the end of FY2025 and the date of this Report, the Board comprises the following members:

NAME	DESIGNATION
Ms Wong Keat Yee	Executive Chairwoman
Mr Wong Sai Hou	Executive Director and Chief Executive Officer
Mr Wong Sai Keat	Executive Director
Mr Chee Teck Kwong Patrick	Lead Independent Non-Executive Director
Mr Benjamin Choo Chih Chien	Independent Non-Executive Director
Mr Edmund Lai Sou Wei	Independent Non-Executive Director
Mr Chong Kwea Seng	Independent Non-Executive Director

Despite that the Chairperson of the Board is not independent, there is a strong and independent element on the Board given that there are four (4) Independent Non-Executive Directors who has formed majority of the Board. Accordingly, the composition of the Board is in compliance with the Code and the Catalist Rules.

The Board considers an Independent Director as one who has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment of the Company's affairs with a view to the best interests of the Company ("**Independence**").

The Board has taken into account the assessment of the NC on whether a Director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect or could appear to affect the Director's judgment. In assessing the independence of each Director annually, the NC had examined different relationships identified by the Code, the Practice Guidance on the Code and Rule 406(3)(d) of the Catalist Rules that might impair the Directors' independence and objectivity. Accordingly, the NC had reviewed and determined Mr Chee Teck Kwong Patrick, Mr Benjamin Choo Chih Chien, Mr Edmund Lai Sou Wei and Mr Chong Kwea Seng to be independent. Each of these Directors has also confirmed their Independence.

There is currently no Independent Non-Executive Director who has served on the Board for more than nine years.

The Independent Non-Executive Directors, led by the Lead Independent Non-Executive Director, are able to meet for confidential discussions on any concerns and to resolve conflicts of interest as and when necessary without the presence of the other Directors. Lead Independent Non-Executive Director would provide any feedback to the Chairperson of the Board as necessary.



# CORPORATE GOVERNANCE REPORT

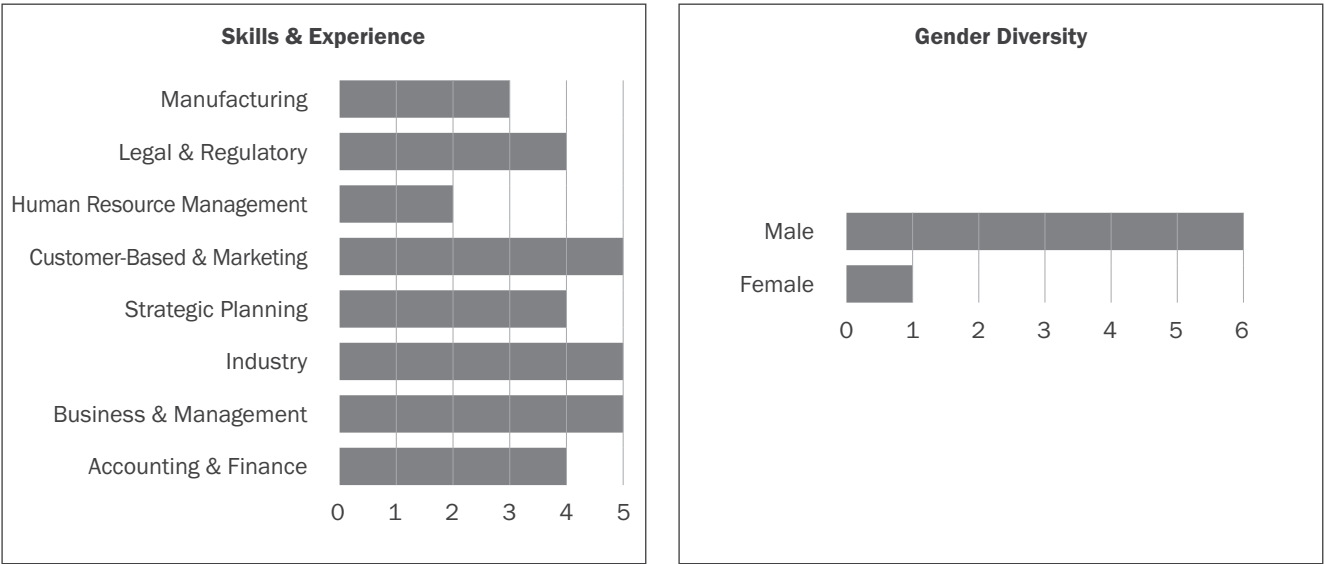
There is no alternate director appointed to the Board as at the date of this Report.

The Company has adopted a Board Diversity Policy. The primary objective of the existing Board Diversity Policy is to ensure that the Board comprise a balanced composition from a number of aspects, including but not limited to the gender, age, educational background, experience, skills, knowledge, independence and length of services (the “**aspects of diversity**”), in order to achieve a sustainable and balanced development.

The Company sees the diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. While all director appointments will be based on meritocracy, the NC will consider all aspects of diversity to achieve an optimal composition for the Board for the benefits and needs of the Company.

The NC is responsible for setting and maintaining the Board Diversity Policy, including setting of its targets, plans and timelines. The NC and the Board regularly reviews the size and composition of the Board, as well as succession planning, gender diversity and refreshment of the Board based on the current guidelines set under our Board Diversity Policy.

The diversity of the current Board as at the date of this annual report is as follows:



The NC and the Board have established the following diversity targets, plans, and timeline. When identifying potential candidates as director, the Board will prioritize individuals based on the skills, experience, and expertise required to drive the Group’s strategy, business objectives, and focus, whilst the Board will also take into account its gender diversity target.

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CORPORATE GOVERNANCE  
REPORT

DIVERSITY TARGETS	PROGRESS, PLAN & TIMELINE
Ensure appropriate balance, skills, experience and knowledge to drive the Group's strategy, business and focus	In FY2025, the NC and the Board has reviewed the composition of the current Board and the Board Committees based on the aspect of diversity, after taking into account the scope and nature of operations, and the size of the Group, is of the view that the current Board comprises persons, including directors with experience and expertise in corporate finance, legal, financial restructuring, corporate advisory and the relevant industry knowledge, who as a group provide capabilities required for the Board to be effective. To meet the changing challenges in the industry which the Group operates in, such reviews, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done periodically to ensure that the Board dynamics remain optimal.
To have at least one female representation on Board	The NC and the Board acknowledge the benefits of having gender diversity in offering differing opinion, and target to maintain at least one female director on Board. As of the date of this Report, the Board comprises of six male directors and one female director. In identifying suitable candidates for new appointments to the Board, the NC would ensure that female candidates were included for consideration.

Key information on each Director is set in the Profile of Directors on pages 11 to 13 of the Annual Report.

The NC will continue to review and consider the size and composition of the Board for the proposed renewal process to ensure that the Board has the appropriate mix of core skills and experience commensurate with the nature, size and complexity of the Group's business, its operating environment, and its current and future targets and focus.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

*Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.*

The Company recognizes the principle of a clear division of responsibility between the Chairperson of the Board and the Chief Executive Officer ("CEO"), and no one individual has unfettered powers of decision-making.

Mr Jeff Wong is the CEO of the Company, while Ms Wong Keat Yee ("**Ms Carol Wong**") serves as the Chairperson of the Board. Although Mr Jeff Wong and Ms Carol Wong are immediate family members, with Mr Jeff Wong being the brother of Ms Carol Wong, there is clear division of responsibilities between the Chairperson of the Board and the CEO, and the roles of the Chairperson of the Board and the CEO are separate. Furthermore, major decisions of the Company and the Group are made in consultation with the Board which comprises a majority of Independent Non-Executive Directors, ensuring an appropriate balance of power and creating increased accountability in both the Board and Management, as well as enabling greater capacity of the Board for independent decision-making, without any concentration of power or influence residing in any individual. The Board believes that there are adequate measures in place against any uneven concentration of power and authority in one individual.

The responsibilities of the Chairperson of the Board include the following:

- (a) leading the Board, ensuring its effectiveness in all aspects of its role, and setting out its agenda;
- (b) ensuring that the Directors receive complete, adequate, accurate, timely and clear information;
- (c) critiquing key proposals by Management before they are presented to the Board;
- (d) ensuring effective communication with shareholders;

# CORPORATE GOVERNANCE REPORT

- (e) encouraging constructive relations between the Board and Management;
- (f) facilitating the effective contribution of the Independent Non-Executive Directors towards the Company;
- (g) encouraging constructive relations between the Executive Directors and Independent Non-Executive Directors; and
- (h) promoting high standards of corporate governance.

The responsibilities of the CEO include overseeing and setting the growth and expansion strategy of the Group's Manufacturing Business and the Dealership Business.

As the Chairperson of the Board is not independent, the Company has Mr Chee Teck Kwong Patrick as the Lead Independent Non-Executive Director to provide leadership in situations where the Chair is conflicted. The Lead Independent Non-Executive Director is available to shareholders of the Company where they have concerns for which contact through normal channels of communications with the Chairperson of the Board and Management are inappropriate or inadequate.

Accordingly, the Board and the NC are of the view that the Board can exercise independent judgement on corporate affairs and that no one individual or group(s) of individuals dominates any decision-making process.

## BOARD MEMBERSHIP

*Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.*

### Nominating Committee

The NC comprises four (4) members, all of whom, including the NC Chairman, are Independent Non-Executive Director. The NC is chaired by the Lead Independent Director, and the members of the NC are as follows:

NAME	DESIGNATION
Mr Chee Teck Kwong Patrick (Chairman)	Lead Independent Non-Executive Director
Mr Benjamin Choo Chih Chien	Independent Non-Executive Director
Mr Edmund Lai Sou Wei	Independent Non-Executive Director
Mr Chong Kwea Seng	Independent Non-Executive Director

The NC meets at least once a year in accordance with its TOR and at other times as required.

The responsibilities of the NC include the following:

- (a) making recommendations to the Board on board appointments, including the appointment of alternate directors and re-nominations of existing directors for re-election in accordance with the Constitution, taking into account the director's contribution and performance;
- (b) reviewing and approving any new employment of related persons (related to the Directors, key management personnel or substantial shareholders) and proposed terms of their employment;
- (c) determining annually whether or not a director is independent;
- (d) in respect of a director who has multiple board representations in various companies, deciding whether or not such director is able to and has been adequately carrying out his/her duties as director, having regard to the competing time commitments that are faced when serving on multiple boards;



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- (e) reviewing and approving any new employment of related persons and the proposed terms of their employment;
- (f) reviewing our directors' mix of skills, experience, core competencies and knowledge of the Company and its subsidiaries that our Board requires to function competently and efficiently;
- (g) reviewing succession plans for the Chairperson, Executive Directors and key management personnel;
- (h) reviewing the training and professional development programs for the Board;
- (i) deciding whether or not a Director of the Company is able to and has been adequately carrying out his duties as a Director;
- (j) developing a process for evaluation of the performance of the Board, its committees and the Directors and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and addresses how the Board has enhanced long-term shareholders' value;
- (k) regularly reviewing the Board structure, size and composition having regard to the scope and nature of the operations, the requirements of the business, the diversity of skills, experience, gender, age and knowledge of the Company and the core competencies of the directors as a group. The NC shall make recommendations to the Board with regards to any adjustments that may be deemed necessary;
- (l) determining and recommending to the Board the maximum number of listed company board representations which any director may hold and disclosing this in the Company's annual report;
- (m) deciding how the performance of Board and Board Committees and individual directors are to be evaluated and proposing objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value;
- (n) assessing the effectiveness of the Board as a whole, and Board Committees and the contribution of each individual Director to the effectiveness of the Board; and
- (o) review training and professional development programmes for the Board and recommending to the Board comprehensive induction training programmes for new directors.

For the appointment of new Directors, the NC will, in consultation with the Board, examine the existing Board's strength, capabilities and the existing Directors' contribution in terms of skills, knowledge and experience to the Company and the Board. The NC will take into account the future needs of the Company and together with the Board, it will seek candidates who are able to contribute to the Company. The NC seeks candidates widely and beyond persons directly known to the existing Directors. The NC recommends suitable candidates to the Board and if such candidates are appointed, announcements relating to their appointment shall be released via SGXNet. The Board is also advised by the Sponsor on appointment of directors as required under Rule 226(2)(d) of the Catalist Rules.

In the event of cessation of any individuals as Director or executive officer, the Chairman of the NC will conduct exit interviews with the Director or executive officer, as the case may be, and announcements, where required pursuant to the Catalist Rules, relating to such cessation will also be released via SGXNet.

The Chairman of the NC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities. Members of the NC comprise persons of stature, integrity and accountability, who are able to exercise independent judgment in the performance of their duties.

# CORPORATE GOVERNANCE REPORT

The dates of initial appointment and last re-election of each Director as at the end of FY2025 and as at the date of this Report are set out as follows:

NAME OF DIRECTOR	DESIGNATION	DATE OF FIRST APPOINTMENT	DATE OF LAST RE-ELECTION
Ms Wong Keat Yee	Executive Chairwoman	26 September 2018	31 July 2024
Mr Wong Sai Hou	Executive Director and CEO	30 August 2024	–
Mr Wong Sai Keat	Executive Director	30 August 2024	–
Mr Chee Teck Kwong Patrick	Lead Independent Non-Executive Director	26 September 2018	28 July 2023
Mr Benjamin Choo Chih Chien	Independent Non-Executive Director	26 September 2018	28 July 2022
Mr Edmund Lai Sou Wei	Independent Non-Executive Director	26 September 2018	28 July 2023
Mr Chong Kwea Seng	Independent Non-Executive Director	2 January 2021	31 July 2024

The NC does not currently set a cap on the maximum number of directorships that Directors may hold. Nevertheless, the NC shall meet up at least once a year and review the competing time commitments of Directors serving on multiple boards, if any. The other listed directorships and principal commitments of the Directors are shown in the Profiles of Directors on pages 11 to 13 of the Annual Report.

If a Director is on the board of other companies, the NC shall consider whether adequate time and attention have been devoted to the affairs of the Company. In the event there are sufficient grounds for complaint, the Chairperson of the Board will discuss the issue with the Director, and if necessary, remind him of the consequences of failure to rectify the situation within the period required. Although some of the Board members have multiple board representations and hold other principal commitments, the NC, having reviewed each Director's other listed company directorships and/or principal commitments, where applicable, as well as each Director's attendance and contributions to the Board, is satisfied that sufficient time and attention was given by the Directors to the Company to discharge their responsibilities for the financial year in review. Holistically, the contributions by the Directors during the meetings and attendance at such meetings should also be taken into consideration.

In its selection and appointment of new Directors, the NC receives recommendations from existing Directors and the Company's professional advisors. The NC will conduct interviews with the potential new Director before recommending their appointments to the Board for approval.

The Company's Constitution provide for the retirement and re-election of Directors at every AGM. All Directors are to submit themselves for re-nomination and re-election at least once every three years; and at least one-third of the Directors to retire from office by rotation. New Directors appointed during the year are subject to retirement and re-election at the forthcoming AGM of the Company. The NC is responsible for the nomination of retiring Directors for re-election.

In determining the nomination of a Director for re-election, the NC takes into account the composition and progressive renewal of the Board, and the competency, performance and contribution of the Director including his attendance, preparedness and participation at Board and Board Committees meetings. A Director's time and effort accorded to the Company's business and affairs will also be considered.

Pursuant to Regulation 94 of the Company's Constitution, at each AGM one-third of the Directors for the time being, selected in accordance with Regulation 95, shall retire from office by rotation. Regulation 95 of the Company's Constitution provides that the Directors to retire in every year shall be those subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day as those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

Pursuant to Regulation 100 of the Company's Constitution, any Director appointed by the Board shall hold office only until the next AGM, and shall be eligible for re-election, but shall not be taken into account in determining the number of Directors who are to retire by rotation pursuant to Regulation 94 of the Company's Constitution.

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Accordingly, the following Directors are due for retirement pursuant to the Company's Constitution and subject to re-election at the forthcoming AGM of the Company:

- Mr Chee Teck Kwong Patrick (Pursuant to Regulation 94);
- Mr Benjamin Choo Chih Chien (Pursuant to Regulation 94);
- Mr Wong Sai Hou (Pursuant to Regulation 100); and
- Mr Wong Sai Keat (Pursuant to Regulation 100).

(collectively, the **"Retiring Directors"**).

It was noted that Retiring Directors have given their consent to stand for re-election as Directors of the Company at the forthcoming AGM. The NC and the Board has recommended that the Retiring Directors, whom shall be retiring pursuant to Regulation 94 and Regulation 100 of the Company's Constitution at the forthcoming AGM, respectively, to be re-elected.

The relevant details of directorships of the Retiring Directors pursuant to Rule 720(5) of the Catalist Rules (as set out in Appendix 7F to the Catalist Rules) are shown in the Additional Information on Directors Seeking Re-election on pages 138 to 145 of this Report.

## BOARD PERFORMANCE

*Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.*

In assessing the performance and effectiveness of the Directors in fulfilling their duties, the NC takes into account, among other factors, the Director's qualifications in relation to general commercial knowledge, specific industry experience, political and social knowledge of the countries in which the Group operates in, attendance at Board or Board Committees meetings in person or via teleconference, availability at all reasonable times and the degree of participation at Board and Board Committees meetings, quality of interventions or difference of opinion expressed, and any special contributions.

The NC also considers whether the Director has a reasonable understanding of the Company's business and the industry, the Director's working relationship with the other members of the Board, as well as feedback from other Directors.

In assessing the performance and effectiveness of the Board and its Committees, the NC takes into account, among other factors, the Board Committees' and the Board's ability to work with the senior management of the Company, the discussions and due deliberations of the Board Committees and the Board, and whether objectives and targets set at the commencement of the relevant financial years have been met.

After evaluation, the NC considered the performance and effectiveness of each individual Director and the Board as a whole, to be satisfactory. The Board as a whole considered the performance of the NC to be satisfactory. For the avoidance of doubt, each member of the NC abstains from voting on any resolution in respect of the assessment of his performance or re-nomination as Director.

Reviews of each individual Board member's performance and effectiveness, as well as the performance and effectiveness of the Board Committees and the Board are undertaken on a continuous basis by the NC with inputs from the various Board members.

For FY2025, all Directors were requested to complete the Board Performance Evaluation Questionnaire and Individual Director Self-Assessment Form. In addition, each member of the Board Committees was requested to complete the respective Board Committees' Performance Evaluation Questionnaire. All the completed evaluation questionnaire and forms were forwarded to the Company Secretary for collation of results. The summary of findings of the Board Performance Evaluation, each Board Committees Performance Evaluation and Individual Director Self-Assessment were presented to the NC and the Board for review and deliberation. The Chairman of the NC confers with the Chairperson of the Board on the findings and appropriate follow-up actions are taken as necessary.



# CORPORATE GOVERNANCE REPORT

## Board Evaluation Process

The evaluation serves to assess the effectiveness of the Board as a whole on the following parameters:

- (a) Board composition;
- (b) Board conduct of affairs;
- (c) Internal controls and risk management;
- (d) Board accountability;
- (e) CEO; and
- (f) Standards of conduct.

## Board Committees Evaluation Process

The evaluation serves to assess the effectiveness of the Board Committees on the following parameters:

### Audit Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Financial reporting;
- (e) Internal controls and risk management systems;
- (f) Internal audit process;
- (g) External audit process;
- (h) Whistleblowing;
- (i) Relationship with the Board;
- (j) Standards of conduct; and
- (k) Communication with shareholders.

### Nominating Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Reporting;
- (e) Process for selection and appointment of new Directors;
- (f) Board diversity;
- (g) Nomination of Directors for re-election;
- (h) Independence of Directors;
- (i) Board performance evaluation;
- (j) Succession planning;
- (k) Director who has multiple board representations;
- (l) Standards of conduct; and
- (m) Communication with shareholders.

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## Remuneration Committee

- (a) Membership and appointments;
- (b) Meetings;
- (c) Training and resources;
- (d) Remuneration framework;
- (e) Reporting;
- (f) Standards of conduct; and
- (g) Communication with shareholders.

Based on the summary of findings of the evaluation for FY2025 together with the feedback and recommendations from each Director, the NC was satisfied that the Board as a whole, each Board Committee and each individual Directors had met their performance objective in FY2025.

Renewals or replacements of Directors do not necessarily reflect their contributions to date but may be driven by the need to position and shape the Board in line with the medium-term needs of the Company and its business.

No external facilitator was engaged to conduct the annual reviews for FY2025. The NC has full authority to engage external facilitator to assist the NC to carry out the evaluation process, if the need arises.

## **B. Remuneration Matters**

### **PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**

*Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.*

### **LEVEL AND MIX OF REMUNERATION**

*Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.*

### **DISCLOSURE ON REMUNERATION**

*Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.*

### **Remuneration Committee**

The RC comprises four (4) members, all of whom, including the RC Chairman, are Independent Non-Executive Director. The members of the RC are as follows:

NAME	DESIGNATION
Mr Benjamin Choo Chih Chien (Chairman)	Independent Non-Executive Director
Mr Chee Teck Kwong Patrick	Lead Independent Non-Executive Director
Mr Edmund Lai Sou Wei	Independent Non-Executive Director
Mr Chong Kwea Seng	Independent Non-Executive Director

# CORPORATE GOVERNANCE REPORT

The RC is governed by its own TOR and its primary function is to advise the Board on compensation issues. In particular, in relation to the Directors and key management personnel, the RC bears in mind that a meaningful portion of their compensation should be contingent upon the financial performance of the Company, in order to foster the creation of long-term shareholder value.

The RC's responsibilities include the following:

- (i) To review and submit its recommendations for endorsement by the entire Board, a general framework of remuneration for the Board, the specific remuneration packages and terms of employment (where applicable) for each director, the CEO (if CEO is not a director) and key management personnel;
- (ii) To review the remuneration of key management personnel and employees related to the Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of RC;
- (iii) To review and submit its recommendations for endorsement by the entire Board, share-based incentives or awards or any long term incentive schemes which may be set up from time to time, in particular to review whether directors and key management personnel should be eligible for such schemes and also to evaluate the costs and benefits of such schemes and to do all acts necessary in connection therewith;
- (iv) To function as the committee referred to in the MeGroup Ltd., Performance Share Plan ("**MeGroup PSP**") and Employee Share Option Scheme ("**MeGroup ESOS**") and shall have all the powers as set out in the MeGroup PSP and MeGroup ESOS;
- (v) To carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time; and
- (vi) To ensure that all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered.

The RC meets at least once a year and at other times as required, in accordance with its TOR. The Chairman of the RC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Management, together with the RC, recommends the compensation for Independent Non-Executive Directors, taking into account factors such as time spent and the responsibilities of the Directors, the current market circumstances, long-term interest and risk policies of the Company, and the need to attract directors of experience and standing. The Independent Non-Executive Directors' fees are compared against market standards to ensure that they are in line with market norms and to ensure that their independence are not compromised.

The members of the RC do not participate in any decisions concerning their own remuneration. Payment of Directors' fees is subject to shareholders' approval at the AGM. The RC and the Board are of the view that the fees of the current Independent Non-Executive Directors are adequate and not excessive.

The RC administers the MeGroup ESOS and the MeGroup PSP. The performance related elements of remuneration are designed to align the interests of Directors, Management and staff with those of shareholders and to link their rewards to corporate and individual performance. Details of the MeGroup ESOS and the MeGroup PSP can be found on pages 45 to 47 of the Annual Report in the Directors' Statement. The Company had not granted share options and awards to any employees and Directors under the MeGroup ESOS and the MeGroup PSP during FY2025.

Independent Non-Executive Directors receive basic Directors' fees and additional fees for serving as a Board Committees Chairman. Executive Directors do not receive Directors' fees. A long-term incentive scheme for Directors, Management and staff includes MeGroup ESOS and MeGroup PSP.



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A total directors' fees of S\$150,000.00 for FY2025 payable to Independent Non-Executive Directors will be recommended to shareholders for approval at the forthcoming AGM. The actual directors' fees paid out will be disclosed in the Company's Annual Report in the relevant financial year.

The Management, together with the RC, determines and recommends to the Board the compensation package of the Executive Directors, taking into account their experience and knowledge as well as the existing circumstances in the employment market. The Company does not use contractual provisions to allow the Company to reclaim incentive components of remunerations from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties. The RC will review such contractual provisions as and when necessary.

The RC ensures that the remuneration packages for the Executive Directors and key management personnel are fair and is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and key management personnel to successfully manage the company for the long term. The RC's recommendations are submitted to the entire Board for endorsement.

Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration packages.

With regard to the remuneration of other key management personnel, the RC, together with the Management, reviews proposals which are made by the Executive Directors. The remuneration policy for the key management personnel takes into consideration the Company's performance, long-term interest and risk policies, as well as the responsibilities and performance of individual key management personnel. The latter is measured by goals and objectives set for each key management executive in congruence with the Company's overall goals and objectives.

The NC and the RC have reviewed the terms of the service agreements for the Executive Directors and they are of the view that the Executive Directors have service agreements which include fair and reasonable terms for termination under appropriate notice and these service agreements are in line with market practices and are not overly generous. The Company has not engaged any remuneration consultants for FY2025 and will continue to monitor the need to engage external remuneration consultants going forward and where applicable, will review the independence of the external firm before any engagement.

The relevant details of the Directors' and key management personnel's remuneration for FY2025 are set out below. Disclosure of the Directors' and key management personnel's remuneration is also made in Note 32(b) to the financial statements.

DIRECTORS	TOTAL REMUNERATION	FEE %	SALARY %	BONUS %	*OTHER BENEFITS %
Mr Wong Cheong Chee <sup>(1)</sup>	S\$381,824	–	67	15	18
Ms Wong Keat Yee	S\$189,784	–	70	16	14
Mr Wong Sai Hou <sup>(2)</sup>	S\$320,340	–	68	16	16
Mr Wong Sai Keat <sup>(3)</sup>	S\$195,380	–	70	16	14
Mr Chee Teck Kwong Patrick	S\$45,000	100	–	–	–
Mr Benjamin Choo Chih Chien	S\$45,000	100	–	–	–
Mr Edmund Lai Sou Wei	S\$25,000	100	–	–	–
Mr Chong Kwea Seng	S\$35,000	100	–	–	–

\* Other benefits include Directors' allowance and employer's contribution to defined contribution plan.

## Notes:

- (1) Mr Wong Cheong Chee resigned as Executive Chairman and Chief Executive Officer of the Company on 30 August 2024.
- (2) Mr Wong Sai Hou appointed as Executive Director and Chief Executive Officer of the Company on 30 August 2024.
- (3) Mr Wong Sai Keat appointed as Executive Director of the Company on 30 August 2024.

# CORPORATE GOVERNANCE REPORT

The Company only has two key management personnel (who are not the Company's directors or CEO) within the Group, they are Mr Abdul Razak Bin Montel (Head of Sales, Manufacturing) and Mr Cheah Yao Jian Felix (Chief Financial Officer).

KEY MANAGEMENT PERSONNEL	TOTAL REMUNERATION	SALARY	BONUS	*OTHER BENEFITS
	%	%	%	%
<b>Below \$250,000</b>				
Mr Abdul Razak Bin Montel	100	72	16	12
Mr Cheah Yao Jian Felix	100	66	23	11

\* Other benefits include allowance and employer's contribution to defined contribution plan.

The total remuneration paid to the top two key management personnel (who are not the Company's Directors or CEO) in FY2025 was S\$353,260.

The Board confirms that the remuneration paid to the Executive Directors and key management personnel of the Group is based, inter alia, on the prevailing market forces, their qualification and expertise and their contribution to the Group.

Mr Wong Cheong Chee and Mdm Lee Soh Hong, being the Substantial Shareholders of the Company are the parents of, and Mr Lee Khoon Chuan (the Substantial Shareholder of the Company) is the cousin of the Executive Directors, Ms Wong Keat Yee, Mr Wong Sai Hou and Mr Wong Sai Keat. The relevant details of remuneration of Mr Wong Cheong Chee, Ms Wong Keat Yee, Mr Wong Sai Hou and Mr Wong Sai Keat are disclosed above. Save as disclosed, none of the employees in the Company or any of its principal subsidiaries whose remuneration exceeds S\$100,000 during FY2025 is a substantial shareholder or an immediate family member of a Director, the CEO or a substantial shareholder of the Company or any of its principal subsidiaries.

For the purpose of Rule 704(10) of the Catalist Rules, the Company hereby confirms that there are no persons occupying managerial positions who are related to Director, CEO or substantial shareholders of the Company except for the above-mentioned family relationship.

## C. Accountability and Audit

### RISK MANAGEMENT AND INTERNAL CONTROLS

*Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.*

The Board acknowledges that it is responsible for the overall risk management and internal control framework but also recognises that all risk management and internal control systems contain inherent limitations and that no cost-effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risks of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against misstatements or losses.

The Board and AC review regularly the adequacy and effectiveness of the Group's risk management and internal control systems, including but not limited to financial, operational, compliance and information technology controls. In particular, the Company has adopted a whistleblowing policy to ensure that there are no irregularities in the Company's business dealings and that there is a system of integrity and reliability.

The Board has received assurance from each of the Executive Director, CEO and CFO that the financial records of the Group for FY2025 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances.

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In addition, the Executive Director & CEO and the key management personnel who are responsible have given assurance to the Board that the risk management and internal control systems are adequate and effective in addressing the financial, operational, compliance and information technology risks.

The Board has reviewed and evaluated the adequacy and effectiveness of the Company's system of risk management and internal controls and work procedures and processes. Internal controls have been put in place to safeguard the shareholders' investment and the Company's assets, and to ensure that the Company's financial statements give a true and fair view of the Company's operations and finances.

Taking into account the Company's corporate structure and scope of operations and based on the internal controls established and maintained by the Group, works performed by the external and internal auditors, and reviews performed by Management, the Board, with the concurrence of the AC, is of the opinion that the Company's internal controls, addressing financial, operations, compliance and information technology risks, and risk management systems were adequate and effective as at 31 March 2025.

## AUDIT COMMITTEE

*Principle 10: The Board has an Audit Committee which discharges its duties objectively.*

To ensure that corporate governance is effectively practiced, the current Directors have established self-regulatory and monitoring mechanisms, including the establishment of the AC.

The AC comprises four (4) members, all of whom, including the AC Chairman, are Independent Non-Executive Director. The members of the AC are as follows:

NAME	DESIGNATION
Mr Edmund Lai Sou Wei (Chairman)	Independent Non-Executive Director
Mr Chee Teck Kwong Patrick	Lead Independent Non-Executive Director
Mr Benjamin Choo Chih Chien	Independent Non-Executive Director
Mr Chong Kwea Seng	Independent Non-Executive Director

The roles and responsibilities of the AC are established in accordance with the Code. The TOR provides for a minimum of two meetings a year, and at such other times as required.

The AC's primary function is to assist the Board by fulfilling its responsibilities relating to corporate accounting and auditing reporting practices of the Company, the quality and integrity of the financial reports of the Company, and the Company's system of internal controls regarding finance, accounting, legal compliance and ethics as established by the management and the Board.

All members of the AC have experience in relevant accounting or related financial management expertise or experience. The Board is of the view that the AC members, having accounting and related financial management expertise and experience, are appropriately qualified to discharge their responsibilities. None of the AC members are former partners or directors of the Company's existing audit firm (a) within a period of two years commencing on the date of their ceasing to be a partner of the audit firm and (b) for as long as they have any financial interest in the auditing firm.



# CORPORATE GOVERNANCE REPORT

The responsibilities of the AC include the following:

- (i) To assist the Board in the discharge of its responsibilities on financial and reporting matters;
- (ii) To review with the internal and external auditors:
  - a) the audit plans, including the nature and scope of the audit before the audit commences;
  - b) their evaluation of the system of internal accounting controls;
  - c) their management letter and Management's response;
  - d) results of audits compiled by internal and external auditors; and
  - e) their audit report;
- (iii) To review the half-year and annual financial statements and results announcements to ensure integrity of the said financial statements before submission to the Board for approval, focusing in particular, on:
  - a) changes in accounting policies and practices;
  - b) major risk areas;
  - c) significant adjustments resulting from the audit;
  - d) the going concern statement;
  - e) compliance with financial reporting standards;
  - f) compliance with the Catalist Rules and any other statutory/regulatory requirements; and
  - g) significant financial reporting issues and judgements;
- (iv) To review any formal announcements relating to the Company's financial performance;
- (v) To review, at least annually, the effectiveness and adequacy of internal control and procedures, including accounting and financial controls and procedures and ensure coordination between internal and external auditors, and Management, reviewing the assistance given by Management to the independent and reporting auditor, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the independent and reporting auditor may wish to discuss (in the absence of Management where necessary);
- (vi) To review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (vii) To review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's response;
- (viii) To make recommendations to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;
- (ix) To consider the appointment and re-appointment of internal auditors, the level of their remuneration and matters relating to the resignation or dismissal of the internal auditors, and review with the internal auditors the internal audit plans and their evaluation of the adequacy of internal system accounting controls and accounting system before submitting the results of such review to the Board for approval prior to the incorporation of such results in annual report (where necessary);
- (x) To review significant financial reporting issues and judgements with Chief Financial Officer and the external auditors so as to ensure the integrity of the financial statements of Group and any formal announcements relating to the Group's financial performance before their submission to the Board;

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- (xi) To review all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) every quarter and approving all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same Interested Person during the same financial year) equal to or exceeding 3.0% of the value of the latest audited NTA of the Group, prior to such transactions being entered into, and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with the Company's internal control system and the relevant provisions of the Catalist Rules, as well as all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place;
- (xii) To review and approve any future variation or amendment or renewal of the terms of the Corporate Services Agreement;
- (xiii) To review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with Chief Executive Officer, Chief Financial Officer and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;
- (xiv) To review the assistance and co-operation given by the Company's officers to the internal and external auditors;
- (xv) To review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules (if any);
- (xvi) To review any potential conflicts of interest;
- (xvii) To review and approve all hedging policies and instruments (if any) to be implemented by the Group;
- (xviii) To review key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting the outcome of such review to be disclosed in the annual reports or, if the findings are material, immediately announced via SGXNet;
- (xix) To review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow-up;
- (xx) To review and establish procedures for receipt, retention and treatment of complaints received by the Group, amongst others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;
- (xxi) To ensure co-ordination where more than one audit firm is involved;
- (xxii) To meet with the external auditors and with the internal auditors without the presence of Management, at least annually, to discuss any problems and concerns they may have;
- (xxiii) To approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting firm/auditing firm or corporation to which the internal audit function is outsourced. To ensure that the internal audit function is staffed with persons with the relevant qualification and experience and that they carry out their functions according to the standards set by nationally or internationally recognised professional bodies;
- (xxiv) To review the internal audit program and the adequacy, effectiveness and independence of the Company's internal audit function, as well as to ensure co-ordination between the internal and external auditors and Management;
- (xxv) To oversee and advise the Board in formulating its risks policies to effectively identify and manage the Company's current (and future) risks in its financial, operational, compliance and information technology systems and all strategic transactions to be undertaken by the Company;

# CORPORATE GOVERNANCE REPORT

(xxvi) To oversee design and implementation of the overall risk management systems and internal control systems (including financial, operational, compliance and information technology controls);

(xxvii) To review the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records;

(xxviii) To commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or suspected infringement of any law, rule or regulation of the jurisdictions in which Group operates, which has or is likely to have a material impact on the Company's operating results and/or financial position; and

(xxix) To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of AC.

The Chairman of the AC reports formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The AC has in place whistleblowing arrangements by which employees or outside parties may, in confidence, raise concerns about possible improprieties and obstructive within the Group to the members of the AC directly either in person or in writing. The objective is to ensure that arrangements are in place for independent investigations of such matters and for appropriate follow-up action to be taken. Copies of the whistleblowing policy have been circulated to the employees and are also available at the Company's registered office. The AC is in charge of overseeing the function, monitoring and handling of matters being reported through the whistle-blowing system. The AC reports to the Board on such matters at the Board meetings, or as and when necessary.

The whistleblowing policy is intended to encourage the reporting of such matters in good faith and without malice. Every effort will be made to protect the person who has reported a suspicion of fraudulent activities or malpractices in good faith ("**whistle-blower**"), and the identity of the whistle-blower will be kept confidential save where it is in the opinion of the AC, is material to the investigation. The Company objects to and does not tolerate nor condone any obstructive action and/or retaliatory action taken against any whistle-blower, and may institute disciplinary action or assist the said whistle-blower in taking legal action, as it deems appropriate.

The AC is able to act independently to conducts the investigation or review as they deemed appropriate on the whistleblowing reports made in good faith. The AC may conduct its own investigation or review, instruct the Internal Auditors and/or engage third parties to conduct further investigation or review, instruct relevant management and/or engage third parties to take remedial action as deem appropriate, and/or any other action as AC may determine in the best interest of the Group.

The Company's external auditor, CLA Global TS Public Accounting Corporation ("**CLA Global TS**") is an audit firm registered with the Singapore Accounting and Corporate Regulatory Authority.

The audit of the accounts of the Company's subsidiaries in Singapore were performed by CLA Global TS and the audit of the accounts of the Company's subsidiaries in Malaysia were performed by Morison LC PLT, Malaysia. The AC and the Board confirmed that they are satisfied that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the consolidated financial statements. The Company has therefore acted in compliance with Rule 712 and Rule 715 of the Catalist Rules.

The AC has reviewed the fees for the non-audit services provided to the Company by the external auditors. In accordance with Rule 1204(6) of the Catalist Rules, the non-audit fees and audit fees paid to CLA Global TS for their services rendered in FY2025 are S\$16,300 and S\$70,000, respectively. The non-audit fee was for the tax compliance and sustainability reporting services rendered by CLA Global TS.

The AC reviewed the independence and objectivity of the external auditors as required under Section 206(1A) of the Companies Act and determined that the external auditor was independent in carrying out their audit of the Group's financial statements. Having reviewed the non-audit services provided by CLA Global TS, the AC is satisfied that the nature and extent of such services would not affect the independence and objectivity of the external auditors.



# 38 CORPORATE GOVERNANCE REPORT

None of the members of the AC are a partner or director of CLA Global TS or any other auditing firm or auditing corporation. The AC had also reviewed the scope and quality of the external auditor's work before recommending the external auditors to the Board for re-appointment.

After taking into account the resources and experience of CLA Global TS and the audit engagement partner assigned to the audit, CLA Global TS's other audit engagements, the size and complexity of the audit as well as the number and experience of the staff assigned by CLA Global TS for the audit, the AC is of the view that CLA Global TS is able to meet its audit obligations. Together with the Board, the AC recommends the re-appointment of CLA Global TS at the forthcoming AGM.

The external auditor briefs the AC members on the developments in accounting standards (where applicable) during AC meetings to keep the AC members abreast of changes to the accounting standards and issues which have a direct impact on financial statements. The AC has full access to the external auditors and internal auditors without the presence of Management and is authorised to have full and unrestricted access to Management and all personnel, records, operations, properties, and other informational sources of the Company as required or desirable to properly discharge its responsibilities.

The AC has met with the external auditors and internal auditors without the presence of management for discussion on the audits for FY2025. The AC has full discretion to invite any Director or executive officer to its meetings and has the authority to conduct or authorise investigations into any matters within its scope of responsibilities.

The AC and Management also review the Company's operational activities on an on-going basis to identify areas of material risks. The AC together with the Management and the internal and external auditors will table all control issues and review the appropriate measures being recommended to mitigate areas of weaknesses highlighted to the Board during its half yearly meetings.

The Company has engaged Wensen Consulting (M) Sdn Bhd ("**Wensen**"), a suitably appointed qualified firm of accountants which meets the standards set by internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, to conduct an internal audit of the Company as well as to implement enterprise risk management ("**ERM**") initiatives within the Group to assist in determining whether the Group's checks and balances and control systems are adequate.

The Board formalized and approved an ERM Framework. This risk framework has four principal risk categories, namely strategic, financial, operational and compliance risks.

The Group's risk management framework is aligned with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Controls Integrated Framework.

The identification and management of risks are delegated to management, who assumes ownership and day-to-day management of these risks. Management is responsible for the effective implementation of risk management strategy, policies and processes to facilitate the achievement of business plans and goals within the risk tolerance established by the Board. Key business risks are proactively identified, addressed and reviewed on an ongoing basis.

Wensen has unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. Wensen reports directly to the AC and provides reports to AC on a timely basis.

The AC is of the view that the Internal Audit function is independent, effective and adequately resourced to perform its functions, is independent from the activities that it audits and has appropriate standing within the Group, and effective. In assessing the engagement of Wensen for the Internal Audit function, the AC ensured that the Internal Audit function is staffed with qualified and experienced personnel.

# CORPORATE GOVERNANCE REPORT

Wensen's internal audit function is headed by the Executive Director, who is assisted by an audit team comprising of the Engagement Director, Managers and Consultants. The Executive Director, is a Chartered Member, Institute of Internal Auditors Malaysia (CIAM), Practicing Member of the Institute of Singapore Chartered Accountants (ISCA), a member of the Malaysian Institute of Accountants (MIA) and a Fellow Member of the Association of Chartered Certified Accountants (FCCA), with more than 20 years of experience in auditing while other team members are accounting graduates with a minimum qualification of a degree obtained from overseas and/or local universities.

The scope of the internal audit covers key aspects of the Group's internal controls established to address financial, operational, compliance and information technology risks. The internal auditor's activities are guided by Wensen's internal auditing methodology which is in line with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

At present, the Board relies on external audit reports and management letters prepared by the external auditors, Wensen's internal audit findings and ERM report on any material non-compliance or internal control weaknesses.

The AC has also set in place certain internal controls (for example, setting procedures for interested person transactions), risk management practices and sustainability practices, taking into consideration the risks which the Group is exposed to, the likelihood of occurrence of such risks, the costs of implementing the corresponding controls and the environmental and social interactions within the communities in which the issuers operate.

The Company may engage an external consultant to assist on the implementation of sustainability practices throughout the Group to assess and disclose the economic, environmental, social and governance ("**ESG**") aspects of the Group's performance and also to determine whether the Company conducts its business responsibly, particularly the ESG aspects.

The Group has considered sustainability as part of its strategic formulation and determined the material ESG factors most applicable to the Group. The Board oversees the management and monitoring of these factors, through internal reviews of the Group's sustainability performance. More details can be found in the Sustainability Report for FY2025 announced on the SGXNet.

In the review of the Group's financial statements, the AC had discussed with the Management on the accounting principles that were applied and considered the clarity of key disclosures in the financial statements.

## D. Shareholder Rights and Engagement

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

*Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.*

### ENGAGEMENT WITH SHAREHOLDERS

*Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.*

## **E. Managing Stakeholders Relationships**

### **ENGAGEMENT WITH STAKEHOLDERS**

*Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.*

The Company recognises the importance of treating all shareholders fairly and equitably, as well as the responsibility to facilitate the exercise of shareholders' rights, and have the opportunity to communicate their views on matters affecting the Company. Information is communicated to shareholders on a timely basis. Where disclosure is inadvertently made to a selected group, the Company will make the same disclosure publicly as soon as practicable for it to do so.

The Group's corporate communication is made through:

- (a) annual report that are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required under the Catalist Rules and the relevant accounting standards;
- (b) half yearly financial statements containing a summary of the financial information and affairs of the Group for the period;
- (c) notices of annual general meetings and extraordinary general meetings;
- (d) replies to email queries from shareholders;
- (e) disclosures to the SGX-ST and the shareholders by releasing announcements via SGXNet; and
- (f) circulars or letters to shareholders to provide the shareholders with more information on its major transactions.

The Group values dialogue with investors and believes in regular, effective and fair communication with its shareholders and is committed to hearing shareholders' views and addressing their concerns where possible. The Group adopts the practice of regularly communicating major developments in its business and operations through SGXNet and news releases and where appropriate also directly to shareholders, other investors, analysts, the media, the public and its employees.

The Group monitors the dissemination of material information (trade or price sensitive) to ensure that it is made publicly available on a timely and non-selective basis. Half yearly and full year results as well as the annual report are announced or issued within the mandatory period.

The Group issues announcements and news releases on an immediate basis where required under the Catalist Rules. Where an immediate announcement is not possible, the announcement is made as soon as possible to ensure that the stakeholders and the public have fair access to the information.

Shareholders are encouraged to attend and participate at the general meetings to ensure a greater level of shareholders' participation. Shareholders are informed of the rules, including voting procedures that govern the general meetings to enable them to participate effectively in and vote at the general meetings. As authentication of shareholder identity information and other related security issues remain a concern, the Company, for the time being, has not amended its Constitution to allow absentia voting at general meetings.

All Directors and the key management personnel shall attend the general meetings, unless in cases of exigencies, and shareholders are given opportunities to ask the Board and Management questions regarding the operations of the Group and in relation to the meeting agenda prior to the respective meetings, and the Company is to answer any relevant questions prior or during the general meetings pursuant to the relevant guideline issued by the SGX.



# CORPORATE GOVERNANCE REPORT

All Directors attending the general meetings are to answer any questions relating to the work of their respective Committees. The external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. All directors attended the last AGM of the Company held for FY2024.

At all general meetings, all resolutions put to every shareholders' meeting of the Company are voted separately unless the resolutions are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company will explain the reasons and material implications in the notice of general meeting. The Company's Constitution allows all shareholders to appoint proxies to attend general meetings and vote on their behalf. Voting at the forthcoming AGM shall be conducted by poll, and the detailed results will be announced via SGXNet after the conclusion of the AGM.

The Company Secretary prepares the minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and management. The minutes of such meetings are then circulated to the Board for approval. Thereafter, the minutes are available to shareholders upon request. The Company's minutes of general meetings will be published in the SGXNet and Company's website within one (1) month of the AGM.

The Company did not establish formal Investor Relations and Stakeholder Engagement policies as the Company has appropriate channels in place to identify and engage with its investors and material stakeholder groups.

The Company's shareholders and investment community are also encouraged to contact or write to the Company's investor relations as follows:

Menang Nusantara Sdn. Bhd.  
Lot 16, Jalan 3,  
Kawasan Perusahaan Cheras Jaya,  
43200 Balakong,  
Selangor, Malaysia.  
Tel: +6 03 9076 5361 (During Office Hours)  
Ms Norzaini Yahaya  
Email: [admin@mnsb.me-grp.com](mailto:admin@mnsb.me-grp.com)

Shareholders and the public can access information on the Group via its website at <https://me-grp.com>.

The Company's engagement with the key stakeholders, including engagement methods, strategy and key areas of focus in relation to the management of stakeholder relationships will be disclosed in the Company's Sustainability Report for FY2025 announced on the SGXNet.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business conditions, development plans and other factors as the Directors may deem appropriate.

There was an interim dividend of MYR0.003 per ordinary share declared by the Company for FY2025.

## Internal Compliance Code on Dealings in Company's Securities

The Company has a Code of Best Practices for Securities Transactions for the Company and its Officers to provide guidance for both itself, and its Directors and Officers (including employees with access to price-sensitive information on the Company's shares) on dealings in the Company's securities, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204(19) of the Catalist Rules, the Company issues a memorandum informing the Directors and Officers that they are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Company's half year and full year financial statements of the Company. These trading restrictions end after the results have been announced. Additionally, both Directors and Officers are prohibited from dealing in securities of the Company while in possession of price-sensitive information. They are required to report to the Company Secretary whenever they deal in the Company's shares. The Company Secretary assists the Board to monitor such share transactions and to make the necessary announcements, if required.

An Officer of the Company should not deal in the Company's securities on short-term considerations. The Board confirms that as at the date of this Report, the Company has complied with Rule 1204(19) of the Catalist Rules.

## Interested Person Transactions

(Rule 907 of the Catalist Rules)

The Group has established procedures to ensure that all transactions with interested persons are properly documented and reported in a timely manner to the AC on a half yearly basis, and that the transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders, in accordance with the internal controls set up by the Company on interested person transactions.

The Company does not have a general mandate from shareholders for interested person transactions.

In the event that a member of the AC is involved in any interested person transaction, he will abstain from reviewing that particular transaction.

There were no discloseable interested person transactions in FY2025.

## Risk Management

(Rule 1204(4)(b)(iv) of the Catalist Rules)

Management regularly reviews the Company's business and operational activities to identify areas of significant business risks as well as appropriate measures to manage and mitigate these risks. The management reviews all the significant control policies and procedures and highlights all significant findings to the Directors and the AC.

## Non-Sponsor Fees

(Rule 1204(21) of the Catalist Rules)

In FY2025, there were no non-sponsor fees paid to UOB Kay Hian Private Limited.

# CORPORATE GOVERNANCE REPORT

## Material Contracts

(Rule 1204(8) of the Catalist Rules)

Save for the following contract disclosed below, there were no other material contracts entered into by the Company and its subsidiaries involving the interests of any Director or controlling shareholders as at 31 March 2025, or if not then subsisting, entered into in FY2025:

- Service agreement of Mr Wong Cheong Chee as previously disclosed in the Company's offer document dated 22 October 2018 (ceased on 30 August 2024)
- Service agreement of Ms Wong Keat Yee dated 1 June 2024
- Service agreement of Mr Wong Sai Hou dated 1 June 2024
- Service agreement of Mr Wong Sai Keat dated 1 June 2024



# DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 31 March 2025 and the statement of financial position of the Company as at 31 March 2025.

In the opinion of the directors,

- (i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 53 to 125 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## Directors

The directors of the Company in office at the date of this statement are as follows:

Wong Keat Yee  
Wong Sai Hou (appointed on 30 August 2024)  
Wong Sai Keat (appointed on 30 August 2024)  
Benjamin Choo Chih Chien  
Chee Teck Kwong Patrick  
Edmund Lai Sou Wei  
Chong Kwea Seng

## Arrangements to Enable Directors to Acquire Shares and Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Performance share plan" and "Share options" in this statement.

## Directors' Interests in Shares or Debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	HOLDINGS REGISTERED IN NAME OF DIRECTOR		HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT 31.3.2025	AT 1.4.2024 OR DATE OF APPOINTMENT, IF LATER	AT 31.3.2025	AT 1.4.2024 OR DATE OF APPOINTMENT, IF LATER
<b>The Company</b>				
<u>(No. of ordinary shares)</u>				
Wong Cheong Chee <sup>(1)</sup>	–	205,000	–	61,232,497
Wong Sai Hou	4,235,864	4,235,864	–	–
Wong Sai Keat	222,400	222,400	–	–

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

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## Directors' Interests in Shares or Debentures (Continued)

	HOLDINGS REGISTERED IN NAME OF DIRECTOR		HOLDINGS IN WHICH DIRECTOR IS DEEMED TO HAVE AN INTEREST	
	AT 31.3.2025	AT 1.4.2024 OR DATE OF APPOINTMENT, IF LATER	AT 31.3.2025	AT 1.4.2024 OR DATE OF APPOINTMENT, IF LATER
<b>Holding corporation - JCWW Sdn. Bhd.</b> <sup>(2)</sup>				
<u>(No. of ordinary shares)</u>				
Wong Cheong Chee <sup>(3)</sup>	70	70	–	–
Wong Keat Yee	10	10	–	–
Wong Sai Hou	10	10	–	–
Wong Sai Keat	10	10	–	–

(1) Wong Cheong Chee, who by virtue of his interest of not less than 20% of the issued capital of the holding corporation, is deemed to have interests in the shares of the Company and all the subsidiary corporations. He has resigned as director of the Company on 30 August 2024.

(2) On 7 February 2025, JCWW Holdings Pte. Ltd., the holding corporation of the Company, entered into a sale and purchase agreement with JCWW Sdn. Bhd. for the disposal of 61,232,497 ordinary shares of the Company, representing 51.23% ownership of the Company. Accordingly, the holding corporation of the Company is JCWW Sdn. Bhd..

(3) Wong Cheong Chee and his spouse jointly hold 70 shares in the holding corporation.

The directors' interests in the ordinary shares of the Company as at 21 April 2025 were the same as those as at 31 March 2025.

## Performance Share Plan

On 26 September 2018, the Company's shareholders approved a performance share scheme known as the MeGroup Performance Share Plan (the "**MeGroup PSP**"). This plan awards the participants to receive fully paid shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Executive directors and employees of the Group and the associated companies ("**Group Employees**") who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Remuneration Committee (the "**RC**") from time to time, and non-executive directors (including independent directors) of the Group, shall be eligible to participate in the MeGroup PSP at the absolute discretion of the RC.

Persons who are controlling shareholders or associates of controlling shareholders who meet the criteria above are also eligible to participate in the MeGroup PSP provided that the participation of and the terms and actual numbers of the awards granted under MeGroup PSP to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by independent shareholders of the Company and a separate resolution must be passed for each such person subject to the following:

- the aggregate number of shares over which awards may be granted under the MeGroup PSP to controlling shareholders or associates of controlling shareholders shall not exceed 25.0% of the shares available under the MeGroup PSP; and
- the number of shares over which an award may be granted under the MeGroup PSP to each controlling shareholder or an associate of a controlling shareholder shall not exceed 10.0% of the shares available under the MeGroup PSP.

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

## Performance share plan (continued)

The MeGroup PSP is a share incentive scheme which will allow the Company, inter alia, to set target specific performance objectives and to provide an incentive for participants to achieve these targets. The directors believe that the MeGroup PSP will help to achieve the following positive objectives:

- (a) foster an ownership culture within the Group which aligns the interests of group executives and non-executive directors with the interests of shareholders;
- (b) motivate participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world class company.

The MeGroup PSP is administered by the RC which comprises of four independent directors, namely Benjamin Choo Chih Chien, Chee Teck Kwong Patrick, Edmund Lai Sou Wei and Chong Kwea Seng.

The MeGroup PSP shall continue in force at the absolute discretion of the RC, subject to a maximum period of ten (10) years commencing on the date on which the MeGroup PSP is adopted by the Company in general meeting, provided always that the MeGroup PSP may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

The Company will deliver shares to participants upon vesting of their awards by way of either:

- (i) an issue of new shares; or
- (ii) a transfer of shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

The total number of shares which may be issued or transferred pursuant to awards granted under the MeGroup PSP on any date, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes of the Company, shall not exceed 15.0% of the total number issued shares (excluding shares held by the Company as treasury shares and subsidiary corporations holdings, if any) on the day preceding that date.

No performance shares have been awarded since the commencement of the MeGroup PSP.

## Share Options

On 26 September 2018, the shareholders approved a share option scheme known as the MeGroup Share Option Scheme (the "**MeGroup SOS**") for the Group Employees, non-executive directors (including independent directors) of the Group and the associated companies and directors and employees of the Company's parent company who have contributed to the success and development of the Company, are eligible to participate in the MeGroup SOS. For this purpose, a company is an "associated company" if the Company or the Company and the subsidiary corporations and associated companies hold at least 20.0% but not more than 50.0% of the issued shares in that company and provided the Company has significant influence over the associated company. The MeGroup SOS is administered by the RC which comprises of four independent directors, namely Benjamin Choo Chih Chien, Chee Teck Kwong Patrick, Edmund Lai Sou Wei and Chong Kwea Seng.

The MeGroup SOS is designed to provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

# DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

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## Share Options (Continued)

The options that are granted under the MeGroup SOS may have exercise prices that are, at the RC's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for a share on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the five (5) consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date on which an offer to grant that option is made while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that option is made ("**Incentive Option**"). Options granted under the MeGroup SOS to any Group Employee will have a life span of up to ten (10) years from the date on which they are granted and all other options granted under the MeGroup SOS will have a life span of five (5) years from the date on which they are granted.

The aggregate number of shares over which the RC may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the MeGroup SOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued shares (excluding shares held by the Company as treasury shares and subsidiary corporations holdings, if any) on the day immediately preceding the date on which an offer to grant an option is made.

There were no options granted since the commencement of the MeGroup SOS to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiary corporations.

There were no unissued shares of the Company or its subsidiary corporations under option at the end of the financial year.

## Audit Committees

The members of the Audit Committee (the "AC") at the end of the financial year were as follows:

Edmund Lai Sou Wei (Chairman)  
Chee Teck Kwong Patrick  
Benjamin Choo Chih Chien  
Chong Kwea Seng

All members of the AC were non-executive and independent directors.

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the AC reviewed:

- (i) the scope and the results of internal audit procedures with the internal auditor;
- (ii) the audit plan of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- (iii) the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 March 2025 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position of the Company and the consolidated financial statements of the Group;
- (iv) the co-operation and assistance given by the Company's management to the independent auditor;



# DIRECTORS' STATEMENT

For the financial year ended 31 March 2025

## Audit Committees (Continued)

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act 1967. In performing those functions, the AC reviewed: (continued)

- (v) transactions failing within the scope of Chapter 9 of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”);
- (vi) the half-yearly financial results and annual financial statements, results announcements and media releases before submission to the Board of Directors for approval, focusing on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Catalist Rules and any other relevant statutory or regulatory requirements; and
- (vii) make recommendations to the Board of Directors on the appointment, re-appointment and removal of the independent auditor, and approve the remuneration and terms of engagement of the independent auditor.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The independent auditor has unrestricted access to the AC.

The AC has recommended to the Board of Directors that the independent auditor, CLA Global TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

## Independent Auditor

The independent auditor, CLA Global TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....  
**Wong Keat Yee**  
 Director

.....  
**Wong Sai Hou**  
 Director

3 July 2025

# INDEPENDENT AUDITOR'S REPORT

To the Members of MeGroup Ltd.

## Report on the Audit of the Financial Statements

### OPINION

We have audited the accompanying financial statements of MeGroup Ltd. (the “**Company**”) and its subsidiary corporations (the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 53 to 125.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

### BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics applicable to Public Accountants and Accounting Entities* (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# 50 INDEPENDENT AUDITOR'S REPORT

To the Members of MeGroup Ltd.

## Report on the Audit of the Financial Statements (Continued)

### KEY AUDIT MATTERS (CONTINUED)

#### KEY AUDIT MATTERS

#### HOW OUR AUDIT ADDRESSED THE MATTERS

##### Revenue recognition

(Refer to Notes 2.3 and 4 to the financial statements)

During the financial year ended 31 March 2025, the Group's revenue amounted to RM392,625,337. Revenue is recognised at an amount that reflects the consideration in the contracts when the Group satisfied its performance obligation by transferring the promised goods or services to the customers.

We focused on this area because revenue recognition has been identified as a significant risk in accordance with SSA 315 *Identifying and Assessing the Risks of Material Misstatement*, and revenue represents the most significant item on the Group's financial statements. The potential existence of management override controls and large volume of transactions also increase the inherent risk that revenue may not be recognised in the appropriate accounting period.

In obtaining sufficient audit evidence, the following procedures were carried out:

- Discussed with management on the key internal controls and processes involved in the revenue cycles and performed walkthrough to confirm the understanding;
- Validated and evaluated the key internal controls to ascertain the reliabilities of the internal controls in place over the revenue cycle;
- Reviewed significant contracts during the financial year and identified performance obligation in the contracts;
- Evaluated management's assessment of the application of SFRS(I) 15 *Revenue from Contracts with Customers*, in particular, the five-step model for each revenue stream;
- Performed test of details, including cut-off procedures to ascertain that revenue was recorded in the appropriate accounting period;
- Reviewed credit notes issued subsequent to the financial year end to ascertain that revenue was recorded in the appropriate accounting period; and
- Reviewed journal entries to detect any unusual transactions in relation to revenue for evidence of fraud and/or management override of controls.

# INDEPENDENT AUDITOR'S REPORT

To the Members of MeGroup Ltd.

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## Report on the Audit of the Financial Statements (Continued)

### OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



# 52 INDEPENDENT AUDITOR'S REPORT

To the Members of MeGroup Ltd.

## Report on the Audit of the Financial Statements (Continued)

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Hock Xiu Min, Sandy.

**CLA Global TS Public Accounting Corporation**  
**Public Accountants and Chartered Accountants**

**Singapore**

**3 July 2025**

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2025

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	NOTE	GROUP	
		2025	2024
		RM	RM
Revenue	4	392,625,337	458,641,918
Cost of sales		(344,325,157)	(410,300,675)
Gross profit		48,300,180	48,341,243
Other income – net			
- Interest	7	348,854	248,454
- Others	7	967,487	559,772
Other gains – net	8	758,848	4,400,273
Expenses			
- Selling and distribution		(9,752,382)	(9,511,811)
- Administrative		(25,089,714)	(24,982,977)
- Finance	9	(5,537,105)	(4,529,679)
Share of profit from investment in an associated company	21	51,795	28,497
Profit before income tax		10,047,963	14,553,772
Income tax expense	10	(3,080,534)	(5,555,119)
<b>Net profit, representing total comprehensive income for the financial year</b>		<b>6,967,429</b>	<b>8,998,653</b>
<b>Net profit and total comprehensive income attributable to:</b>			
Equity holders of the Company		6,492,251	8,828,155
Non-controlling interests		475,178	170,498
		<b>6,967,429</b>	<b>8,998,653</b>
<b>Earnings per share for profit attributable to equity holders of the Company (RM cents per share)</b>			
Basic and diluted earnings per share	11	5.43	7.39

MEGROUP LTD.

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The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2025

		NOTE	GROUP		COMPANY	
			2025	2024	2025	2024
			RM	RM	RM	RM
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents	12		20,307,609	15,758,153	617,689	214,648
Trade and other receivables	13		24,291,055	32,661,005	777,898	1,612,853
Tax recoverable	14		743,519	792,248	–	–
Inventories	15		27,366,869	37,872,031	–	–
			72,709,052	87,083,437	1,395,587	1,827,501
<b>Non-current assets</b>						
Financial asset, at fair value through profit or loss (“FVPL”)	16		177,560	177,560	–	–
Property, plant and equipment	17		41,998,494	35,605,269	–	–
Right-of-use assets	18		64,424,258	62,416,149	–	–
Trade and other receivables	13		144,504	470,577	–	–
Intangible assets	19		376,541	376,541	–	–
Investments in subsidiary corporations	20		–	–	26,094,134	26,094,134
Investment in an associated company	21		1,015,698	963,903	919,248	919,248
			108,137,055	100,009,999	27,013,382	27,013,382
<b>Total assets</b>			180,846,107	187,093,436	28,408,969	28,840,883
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	22		16,770,980	33,237,496	320,054	355,914
Current income tax liabilities	10		121,675	647,161	–	–
Borrowings	23		16,200,913	18,474,497	–	1,535,600
Lease liabilities	24		5,163,820	4,735,874	–	–
			38,257,388	57,095,028	320,054	1,891,514
<b>Non-current liabilities</b>						
Borrowings	23		49,683,460	49,436,179	–	–
Lease liabilities	24		26,036,279	23,658,868	–	–
Deferred income tax liabilities	25		4,556,056	3,825,843	–	–
			80,275,795	76,920,890	–	–
<b>Total liabilities</b>			118,533,183	134,015,918	320,054	1,891,514
<b>Net assets</b>			62,312,924	53,077,518	28,088,915	26,949,369
<b>EQUITY</b>						
<b>Equity attributable to equity holders of the Company</b>						
Share capital	26		37,356,382	37,356,382	37,356,382	37,356,382
Retained profits/ (accumulated losses)	27		44,192,570	38,536,982	(9,267,467)	(10,407,013)
Other reserves	28		(22,263,971)	(24,397,766)	–	–
			59,284,981	51,495,598	28,088,915	26,949,369
<b>Non-controlling interests</b>	20		3,027,943	1,581,920	–	–
<b>Total equity</b>			62,312,924	53,077,518	28,088,915	26,949,369

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2025

← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →							
NOTE	SHARE CAPITAL RM	MERGER RESERVE RM	CAPITAL RESERVE RM	RETAINED PROFITS RM	TOTAL RM	NON- CONTROLLING INTERESTS RM	TOTAL EQUITY RM
<b>2025</b>							
<b>Balance as at 1 April 2024</b>	37,356,382	(24,594,282)	196,516	38,536,982	51,495,598	1,581,920	53,077,518
Total comprehensive income for the financial year	-	-	-	6,492,251	6,492,251	475,178	6,967,429
Disposal of equity interests in a subsidiary corporation without loss of control	-	-	2,133,795	-	2,133,795	1,061,565	3,195,360
Dividend paid	-	-	-	(836,663)	(836,663)	(90,720)	(927,383)
<b>Balance as at 31 March 2025</b>	37,356,382	(24,594,282)	2,330,311	44,192,570	59,284,981	3,027,943	62,312,924
<b>2024</b>							
<b>Balance as at 1 April 2023</b>	37,356,382	(24,594,282)	233,290	30,186,920	43,182,310	1,544,648	44,726,958
Total comprehensive income for the financial year	-	-	-	8,828,155	8,828,155	170,498	8,998,653
Acquisition of additional interests in a subsidiary corporation	-	-	(36,774)	-	(36,774)	(113,226)	(150,000)
Dividend paid	-	-	-	(478,093)	(478,093)	(20,000)	(498,093)
<b>Balance as at 31 March 2024</b>	37,356,382	(24,594,282)	196,516	38,536,982	51,495,598	1,581,920	53,077,518

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2025

	NOTE	GROUP	
		2025 RM	2024 RM
<b>Cash flows from operating activities</b>			
Profit before income tax		10,047,963	14,553,772
Adjustments for:			
- Amortisation of intangible assets	5	-	276,212
- Depreciation of property, plant and equipment	5	5,751,864	4,884,814
- Depreciation of right-of-use assets	5	6,132,820	5,563,334
- Fair value loss on financial asset, at FVPL	8	-	388,760
- Gain on disposal of property, plant and equipment	8	(131,148)	(4,576,459)
- Gain on disposal of right-of-use assets	8	(97,765)	(169,648)
- Interest income	7	(348,854)	(248,454)
- Interest expense	9	5,537,105	4,529,679
- Share of profit from investment in an associated company	21	(51,795)	(28,497)
		26,840,190	25,173,513
Change in working capital:			
- Trade and other receivables		8,696,023	(2,012,971)
- Inventories		10,505,162	(11,055,432)
- Trade and other payables		(16,466,516)	3,248,050
<b>Cash generated from operations</b>		29,574,859	15,353,160
Income tax paid	10(b)	(2,908,400)	(4,061,155)
Income tax refunded	10(b)	81,322	547,952
<b>Net cash provided by operating activities</b>		26,747,781	11,839,957
<b>Cash flows from investing activities</b>			
Additions to property, plant and equipment		(12,461,414)	(8,523,092)
Additions to right-of-use assets		(309,169)	(20,341,220)
Proceeds from disposal of property, plant and equipment		447,473	11,030,575
Proceeds from disposal of right-of-use assets		623,625	584,037
Proceeds from disposal of equity interests in a subsidiary corporation without loss of control	20(b)	3,195,360	-
Acquisition of additional equity interests in a subsidiary corporation	20(a)	-	(150,000)
Interest received		348,854	248,454
<b>Net cash used in investing activities</b>		(8,155,271)	(17,151,246)
<b>Cash flows from financing activities</b>			
Fixed deposits pledged		(620,881)	(1,308,833)
Proceeds from bank borrowings		5,623,682	22,431,054
Repayment of bank borrowings		(7,546,569)	(4,876,404)
Repayment of lease liabilities		(5,552,263)	(4,933,026)
Dividend paid to equity holders of the Company	29	(836,663)	(478,093)
Dividend paid to non-controlling interest	20	(90,720)	(20,000)
Interest paid		(5,537,105)	(4,529,679)
<b>Net cash (used in)/provided by financing activities</b>		(14,560,519)	6,285,019
<b>Net increase in cash and cash equivalents</b>		4,031,991	973,730
<b>Cash and cash equivalents</b>			
Beginning of financial year		8,529,423	7,555,693
<b>End of financial year</b>	12	12,561,414	8,529,423

The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2025

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## Reconciliation of Liabilities Arising from Financing Activities:

	NON-CASH CHANGES					
	1 APRIL 2024	PROCEEDS FROM BORROWINGS	PRINCIPAL AND INTEREST PAYMENT	ADDITIONS DURING THE FINANCIAL YEAR	INTEREST EXPENSES (NOTE 9)	31 MARCH 2025
	RM	RM	RM	RM	RM	RM
Bank borrowings (excluding overdraft)	65,803,575	5,623,682	(11,949,360)	–	4,402,791	63,880,688
Lease liabilities	28,394,742	–	(6,686,577)	8,357,620	1,134,314	31,200,099

	NON-CASH CHANGES					
	1 APRIL 2023	PROCEEDS FROM BORROWINGS	PRINCIPAL AND INTEREST PAYMENT	ADDITIONS DURING THE FINANCIAL YEAR	INTEREST EXPENSES (NOTE 9)	31 MARCH 2024
	RM	RM	RM	RM	RM	RM
Bank borrowings (excluding overdraft)	48,248,925	22,431,054	(8,290,768)	–	3,414,364	65,803,575
Lease liabilities	27,784,846	–	(6,048,341)	5,542,922	1,115,315	28,394,742

MEGROUP LTD.

The accompanying notes form an integral part of these financial statements.

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# 58 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General Information

MeGroup Ltd. (the “**Company**”) is listed on Catalist, the sponsor-supervised listing platform in Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and incorporated and domiciled in Singapore. The address of the Company’s registered and principal place of business is located at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

The consolidated financial statements are presented in Malaysian Ringgit (“**RM**” or “**MYR**”) except otherwise indicated.

On 7 February 2025, JCWW Holdings Pte. Ltd., the holding corporation of the Company, entered into a sale and purchase agreement with JCWW Sdn. Bhd. a company incorporated and domiciled in Malaysia, for the disposal of 61,232,497 ordinary shares of the Company, for a consideration of RM202,573 (equivalent to SGD61,232). This representing 51.23% equity interests in the Company and consequently, JCWW Sdn. Bhd. became the holding corporation of the Company.

The principal activity of the Company is investment holding. The principal activities of subsidiary corporations are described in Note 20 to the financial statements.

## 2. Material Accounting Policies

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

#### Interpretations and amendments to published standards effective in 2025

On 1 April 2024, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“**INT SFRS(I)**”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 2. Material Accounting Policies (Continued)

### 2.2 GROUP ACCOUNTING

#### (a) *Subsidiary corporations*

##### (i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

##### (ii) *Acquisition*

The acquisition method of accounting is used to account for business combinations entered into by the Group, other than those entities which are under common control.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporations measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets - Goodwill" for the subsequent accounting policy on goodwill.

# 60 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.2 GROUP ACCOUNTING (CONTINUED)

#### (a) *Subsidiary corporations (continued)*

##### (ii) *Acquisition (continued)*

Acquisitions of entities under common control have been accounted for using the predecessor accounting method. Under this method:

- The consolidated financial statements of the Group have been prepared as if the Group structure immediately after the transaction has been in existence since the earliest date the entities are under common control;
- The assets and liabilities are brought into the consolidated financial statements at their existing carrying amounts from the perspective of the controlling party;
- The consolidated statement of comprehensive income includes the results of the acquired entities since the earliest date the entities are under common control;
- The cost of investment is recorded at the aggregate of the nominal value of the equity shares issued, cash and cash equivalents and fair values of other consideration; and
- On consolidation, the difference between the cost of investment and the nominal value of the share capital of the merged subsidiary corporations are taken to merger reserve.

##### (iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated company" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

#### (b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity holders of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 2. Material Accounting Policies (Continued)

### 2.2 GROUP ACCOUNTING (CONTINUED)

#### (c) Associated company

Associated company is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

Investments in an associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

#### (i) Acquisition

Investment in an associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

#### (ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated companies' post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated companies are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Interest in an associated company includes any long-term loans for which settlement is never planned nor likely to occur in the foreseeable future.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated companies are changed where necessary to ensure consistency with the accounting policies adopted by the Group.

#### (iii) Disposals

Investments in associated companies are derecognised when the Group loses significant influence. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated company" for the accounting policy on investment in an associated company in the separate financial statements of the Company.

# 62 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.3 REVENUE RECOGNITION

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfied a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good and service. A performance obligation is satisfied at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. If the value of the goods transferred by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

(a) *Sales of Noise, Vibration and Harshness (“NVH”) components and other non-NVH components*

Revenue is recognised when the customer obtains control of the goods.

(b) *Sale of automobiles*

Revenue is recognised when the customer obtains control of the goods.

(c) *After-sales automobile services*

Revenue is recognised when the Group has rendered the services to customer.

(d) *Incentives received from distributors*

Incentives received from distributors is recognised upon the Group meeting the agreed target set by the distributors.

(e) *Handling fees*

Handling fees are recognised when the related services is provided.

(f) *Agency fee income*

Agency fee income is recognised in the amount of any fee or commission to which it expects to be entitled in exchange for arranging services for other party.

(g) *Interest income*

Interest income is recognised using the effective interest method.

(h) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

(i) *Management fee*

Management fee income is recognised when services is rendered.

(j) *Rental income*

Rental income from operating lease is recognised on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 2. Material Accounting Policies (Continued)

### 2.4 GOVERNMENT GRANT

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as "Other income – net".

Government grants relating to assets are deducted against the carrying amount of the assets.

### 2.5 BORROWING COSTS

Borrowing costs are recognised in profit or loss using the effective interest method.

### 2.6 EMPLOYEE COMPENSATION

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### (a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Employees' Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

#### (b) *Performance bonus*

The Group recognises a liability and an expense for performance bonus of Executive Chairman. The performance bonus is computed based on the Group's audited consolidated profit before deducting income tax expenses, non-recurring or one-off exceptional items, non-controlling interests of the Group and before paying profit sharing. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

#### (c) *Performance shares*

Benefits to employees including the directors are provided in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("**equity-settled transactions**"). The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or rights granted, excluding the impact of any non-market vesting conditions. These are fair valued based on the market price of entity's share on grant date. This fair value is charged to profit or loss over the vesting period of the share-based payment scheme, with the corresponding increase in equity. The value of the charge is adjusted in profit or loss over the remainder of the vesting period to reflect expected and actual quantities vested, with the corresponding adjustment made in equity.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

# 64 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.6 EMPLOYEE COMPENSATION (CONTINUED)

#### (d) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on grant date. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date.

At each reporting date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "Treasury shares" account, when treasury shares are re-issued to the employees.

#### (e) *Short-term compensated absences*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

### 2.7 INCOME TAXES

Current income tax for current and prior financial periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 2. Material Accounting Policies (Continued)

### 2.7 INCOME TAXES (CONTINUED)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income and expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

### 2.8 CASH AND CASH EQUIVALENTS

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the statement of financial position. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

### 2.9 INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses.

### 2.10 PROPERTY, PLANT AND EQUIPMENT

#### (a) *Measurement*

##### (i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

##### (ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.



# 66 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### (b) Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computers and office equipment	3 – 10 years
Tools and machinery	5 – 10 years
Furniture, electrical and fittings	5 – 10 years
Renovation and signboard	10 years
Automobiles	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Construction-in-progress represents the cost of building under construction. When construction-in-progress are completed and are ready for their intended use, they are recognised as property, plant and equipment and depreciated over their useful lives.

Fully depreciated property, plant and equipment still in use are retained in the financial statements.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within “Other gains – net”.

### 2.11 INTANGIBLE ASSETS

#### (a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 2. Material Accounting Policies (Continued)

### 2.11 INTANGIBLE ASSETS (CONTINUED)

#### (b) Customer relationship and licence

Customer relationship and licence are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 6 years, which is the shorter of their estimated useful lives and periods of contractual rights.

### 2.12 INVESTMENTS IN SUBSIDIARY CORPORATIONS AND ASSOCIATED COMPANY

Investments in subsidiary corporations and associated company are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

### 2.13 IMPAIRMENT OF NON-FINANCIAL ASSETS

#### (a) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

# 68 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.13 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

- (b) *Intangible assets*
  - Property, plant and equipment*
  - Right-of-use assets*
  - Investments in subsidiary corporations and associated company*

Intangible assets, property, plant and equipment, right-of-use assets and investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

For an asset other than goodwill, management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior financial years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.14 FINANCIAL ASSETS

#### (a) *Classification and measurement*

The Group classifies its financial assets at amortised costs and fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### At subsequent measurement

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are two subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset.

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- **FVPL:** Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains – net".

#### (b) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31(b) to the financial statements details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

# 70 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.14 FINANCIAL ASSETS (CONTINUED)

#### (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of debt instrument, the difference between the carrying amount and the sales proceed is recognised on profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

### 2.15 TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

### 2.16 PROVISIONS

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

### 2.17 BORROWINGS

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 2. Material Accounting Policies (Continued)

### 2.18 LEASES

#### (a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

#### (i) Right-of-use assets

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows:

	<u>Useful lives</u>
Buildings	50 years
Leasehold land	Over the remaining leased terms of 72 – 84 years

#### (ii) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

# 72 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.18 LEASES (CONTINUED)

(a) *When the Group is the lessee: (continued)*

(ii) *Lease liabilities (continued)*

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) *Short term and low value leases*

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

(iv) *Variable lease payments*

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

(b) *When the Group is the lessor:*

The Group lease right-of-use of the premise under finance lease and premise under operating lease and to a non-related party.

*Lessor – Sub-leases*

In classifying a sub-lease, the Group as an intermediate lessor classifies the sub-lease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sub-lease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sub-lease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sub-lease is recognised in profit or loss. The lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sub-lease is assessed as an operating lease, the Group recognises lease income from the sub-lease in profit or loss within "Other income – net". The right-of-use asset relating to the head lease is not derecognised.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.19 SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### 2.20 DIVIDENDS TO COMPANY'S SHAREHOLDERS

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

### 2.21 CURRENCY TRANSLATION

#### (a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("**functional currency**"). The financial statements are presented in Malaysia Ringgit ("**RM**"), which is the functional currency of the Company.

#### (b) *Transactions and balances*

Transactions in a currency other than the functional currency ("**foreign currency**") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets and financial liabilities. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

All other foreign exchange gains and losses impacting profit or loss are presented in the statement of comprehensive income within "Other gains – net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

# 74 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 2. Material Accounting Policies (Continued)

### 2.21 CURRENCY TRANSLATION (CONTINUED)

#### (c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

### 2.22 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker whose members are responsible for allocating resources and assessing performance of the operating segments.

### 2.23 FINANCIAL GUARANTEES

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value plus transaction costs and subsequently measured at the higher of:

- (a) premium received on initial recognition less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15 *Revenue from Contracts with Customers*; and
- (b) the amount of expected loss computed using impairment methodology under Note 2.14 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 3. Critical Accounting Estimates, Assumptions and Judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

### (a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment, except for freehold land and right-of-use assets, to be within 3 to 10 years.

The carrying amounts of the Group's property, plant and equipment as at 31 March 2025 is RM41,998,494 (2024: RM35,605,269). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of these property, plant and equipment had been 10% higher from management's estimates, the carrying amount of the property, plant and equipment would be an estimated RM515,349 (2024: RM436,981) lower.

The carrying amount of the Group's property, plant and equipment is disclosed in Note 17 to the financial statements.

### (b) Expected credit losses on trade receivables

Expected credit losses ("ECL") on trade receivables is probability-weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

The Group measured the loss allowance of trade receivables at an amount equal to lifetime ECL by making debtor-specific assessment. A considerable amount of judgement is required in assessing the ECL which are determined by referencing to the Group's historical information and loss experience, customers' ability to pay and adjusted with forward-looking information. The information about the ECL on the Group's trade receivables is disclosed in Note 31(b) to the financial statements. The Group also evaluates the ECL on customers in financial difficulty separately. No loss allowance for trade receivables is recognised for the financial years ended 31 March 2025 and 2024.

The carrying amounts of trade receivables is disclosed in Note 13 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 3. Critical Accounting Estimates, Assumptions and Judgements (Continued)

### (c) Leases

The application of SFRS(I) 16 Leases requires the Group to exercise judgement and estimates in applying transition options and practical expedients, and in the determination of key assumptions used in measuring the lease liabilities. Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset over a similar term.

The incremental borrowing rate applied to lease liabilities as at 31 March 2025 ranged from 2.05% to 6.71% (2024: 2.02% to 5.41%) for leases of office space and buildings for the purpose of back office operation, car showrooms, warehouse and service centres. The carrying amount of lease liabilities of the Group as at 31 March 2025 was RM31,200,099 (2024: RM28,394,742) and is disclosed in Note 24 to the financial statements.

Changes in these assumptions may significantly impact the measurement of the lease liabilities. The accounting policies for leases are stated in Note 2.18 to the financial statements.

## 4. Revenue

### (a) Disaggregation of revenue from contracts with customers

	AT A POINT IN TIME	
	GROUP	
	2025 RM	2024 RM
<b>Manufacturing</b>		
Sales of NVH components and other non-NVH components	72,612,511	80,530,260
<b>Dealership</b>		
Sales of automobiles	288,151,592	349,980,856
After-sales automobile services	23,595,469	21,933,010
Incentives received from distributors	5,939,683	3,295,924
Handling fees	1,289,877	1,780,572
Agency fee income	1,036,205	1,121,296
	320,012,826	378,111,658
	392,625,337	458,641,918

### (b) Trade receivables from contracts with customers

	GROUP		
	31 MARCH 2025 RM	2024 RM	1 APRIL 2024 RM
Trade receivables from contracts with customers	16,645,018	23,972,029	19,327,865

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 5. Expenses by Nature

	GROUP	
	2025 RM	2024 RM
Amortisation of intangible assets (Note 19(b) and (c))	-	276,212
Bank charges and commission	269,442	332,516
Changes in inventories	10,505,162	(11,055,432)
Depreciation of property, plant and equipment (Note 17)	5,751,864	4,884,814
Depreciation of right-of-use assets (Note 18)	6,132,820	5,563,334
Directors' fee paid to directors of the Company	513,000	653,495
Employee compensation (Note 6)	17,819,740	19,347,122
Entertainment	790,929	1,082,895
Fees on audit services paid/payable to:		
- Auditor of the Company	278,551	361,155
- Other auditors	164,400	162,787
	442,951	523,942
Fees on non-audit services paid/payable to auditor of the Company	79,655	128,928
Freight charges	1,567,490	3,444,558
Import duty	1,930,537	2,113,157
Insurance	1,100,589	958,673
Printing and stationery	267,354	259,021
Production expenses	651,221	672,678
Professional fees	1,021,271	851,786
Purchases of:		
- Automobiles	247,378,603	319,219,678
- Automobile parts and accessories	25,448,479	28,029,937
- Raw materials	31,419,963	42,330,495
	304,247,045	389,580,110
Rental expenses on short-term leases (Note 18(a)(iii))	370,314	420,445
Repairs and maintenance	4,112,481	3,674,342
Testing, research and development	79,758	16,278
Sales commission	7,147,776	6,960,749
Security charges	573,819	499,881
Sponsorship fee	190,785	187,688
Stamp duty	75,510	656,829
Sub-contractors	5,227,866	4,677,504
Transportation expenses	1,380,167	1,462,675
Travelling and accommodation	539,472	618,511
Utilities	2,634,644	2,611,118
Others	3,743,591	3,391,634
Total cost of sales, selling and distribution and administrative expenses	379,167,253	444,795,463

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For the financial year ended 31 March 2025

## 6. Employee Compensation

	GROUP	
	2025	2024
	RM	RM
Wages and salaries	15,899,447	17,607,430
Employer's contribution to defined contribution plans	1,672,646	1,517,034
Other short-term benefit	247,647	222,658
	17,819,740	19,347,122

## 7. Other Income – Net

	GROUP	
	2025	2024
	RM	RM
Interest income on:		
- Bank deposits	328,376	197,006
- Finance lease receivable (Note 18(b))	20,478	51,448
	348,854	248,454
Government grant and subsidy income	-	230,455
Business development fund	265,000	-
Commission received, marketing incentive and support fee	564,444	213,782
Insurance claim	1,561	81,476
Others	136,482	34,059
	967,487	559,772
	1,316,341	808,226

## 8. Other gains – net

	GROUP	
	2025	2024
	RM	RM
Realised currency exchange gains/(losses), net	529,935	(125,372)
Unrealised currency exchange gains, net	-	168,298
Gain on disposal of property, plant and equipment	131,148	4,576,459
Gain on disposal of right-of-use assets	97,765	169,648
Fair value loss on financial asset, at FVPL	-	(388,760)
	758,848	4,400,273

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For the financial year ended 31 March 2025

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## 9. Finance Expenses

	GROUP	
	2025	2024
	RM	RM
Interest expenses on:		
- Bank borrowings	4,402,791	3,414,364
- Lease liabilities (Note 18(a)(i))	1,134,314	1,115,315
	5,537,105	4,529,679

## 10. Income Taxes

(a) Income tax expense

	GROUP	
	2025	2024
	RM	RM
Tax expense attributable to profit is made up of:		
- Profit for the financial year:		
Current income tax - Foreign	2,775,023	3,933,943
Deferred income tax (Note 25)	652,662	96,609
Real property gain tax	(44,847)	262,163
	3,382,838	4,292,715
- (Over)/under provision in prior financial years:		
Current income tax - Foreign	(379,855)	(88,992)
Deferred income tax (Note 25)	77,551	1,351,396
	(302,304)	1,262,404
	3,080,534	5,555,119

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## 10. Income Taxes (Continued)

### (a) Income tax expense (continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the Malaysia standard rate of income tax is as follows:

	GROUP	
	2025 RM	2024 RM
Profit before income tax	10,047,963	14,553,772
Tax calculated at tax rate of 24% (2024: 24%)	2,411,511	3,492,905
Effects of:		
- Different tax rates in other countries	(133,264)	(33,792)
- Expenses not deductible for tax purposes	1,197,368	969,622
- Income not subject to tax	(46,464)	(581,731)
- Income subject to real property gain tax	(44,847)	262,163
- Deferred tax asset not recognised	17,343	183,548
- Utilisation of deferred tax assets previously not recognised	(18,809)	-
- (Over)/under provision in prior financial years	(302,304)	1,262,404
Tax charge	3,080,534	5,555,119

The Group has unutilised tax losses and unabsorbed capital allowance of approximately RM453,712 (2024: RM452,077) and RM141,278 (2024: RM149,024) respectively at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements in Malaysia. The tax losses of RM68,230 will expire in 2030 and the tax losses of RM385,482 will expire in 2034.

### (b) Movement in current income tax liabilities and tax recoverable

	GROUP	
	2025 RM	2024 RM
Beginning of financial year	(145,087)	(738,998)
Income tax paid	(2,908,400)	(4,061,155)
Income tax refunded	36,475	547,952
Tax expense	2,775,023	3,933,943
Real property gain tax	-	262,163
Over provision in prior financial year	(379,855)	(88,992)
End of financial year	(621,844)	(145,087)
Presented as:		
Tax recoverable	(743,519)	(792,248)
Current income tax liabilities	121,675	647,161
	(621,844)	(145,087)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 11. Earnings Per Share

- (a) Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.
- (b) Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares during the financial year.

There were no dilutive potential ordinary shares during the financial years ended 31 March 2025 and 2024 respectively.

Basic and diluted earnings per share attributable to equity holders of the Company is calculated as below:

	GROUP	
	2025	2024
Net profit attributable to equity holders of the Company (RM)	6,492,251	8,828,155
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	119,523,315	119,523,315
Basic and diluted earnings per share (RM cents per share)	5.43	7.39

## 12. Cash and Cash Equivalents

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	13,525,957	9,732,524	617,689	214,648
Fixed deposits	6,781,652	6,025,629	–	–
	20,307,609	15,758,153	617,689	214,648

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP	
	2025 RM	2024 RM
Cash and bank balances (as above)	20,307,609	15,758,153
Less: Bank overdrafts (Note 23)	(2,003,685)	(2,107,101)
Less: Fixed deposits pledged	(5,742,510)	(5,121,629)
Cash and cash equivalents per consolidated statement of cash flows	12,561,414	8,529,423

Fixed deposits are pledged in relation to the security granted for certain borrowings (Note 23).

# 82 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 13. Trade and Other Receivables

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>Current</b>				
Trade receivables				
- Non-related parties	16,645,018	23,972,029	-	-
Other receivables				
- Non-related parties	1,231,288	599,081	-	-
- Subsidiary corporations	-	-	706,581	1,544,141
- GST receivable	15,469	13,001	15,469	13,001
- Staff loans	50,114	144,457	-	-
	1,296,871	756,539	722,050	1,557,142
Advance payments to suppliers <sup>(a)</sup>	2,584,695	4,219,382	-	-
Finance lease receivable <sup>(b)</sup>				
(Note 18(b))	299,573	297,522	-	-
Deposits	1,724,386	1,992,592	1,794	1,794
Prepayments	1,740,512	1,422,941	54,054	53,917
	24,291,055	32,661,005	777,898	1,612,853
<b>Non-current</b>				
Finance lease receivable <sup>(b)</sup>				
(Note 18(b))	144,504	470,577	-	-
	24,435,559	33,131,582	777,898	1,612,853

Other receivables from subsidiary corporations and staff loans are unsecured, interest-free and receivable on demand.

(a) Advance payments to suppliers relate to payment made in advance for the acquisition of tools and machinery.

(b) The finance lease receivable relates to a sub-lease which was classified as finance lease as disclosed in Note 18(b) to the financial statements.

## 14. Tax Recoverable

This is in respect of tax paid in advance to the Inland Revenue Board of Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

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## 15. Inventories

	GROUP	
	2025 RM	2024 RM
Raw materials	4,321,036	8,310,394
Finished goods:		
- Automobiles	18,274,075	23,879,992
- Automobile parts and accessories	4,771,758	5,681,645
	23,045,833	29,561,637
	27,366,869	37,872,031

The cost of inventories recognised as an expense and included in “Cost of sales” amounted to RM314,752,207 (2024: RM378,524,678).

## 16. Financial Asset, at FVPL

	GROUP			
	CARRYING VALUE		FAIR VALUE	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Financial assets at FVPL:</i>				
Call options – Hanamaru Auto Trading (Malaysia) Sdn. Bhd. (Note 21)	177,560	177,560	177,560	177,560

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## 17. Property, Plant and Equipment

	COMPUTERS AND OFFICE EQUIPMENT	TOOLS AND MACHINERY	FURNITURE, ELECTRICAL AND FITTINGS	RENOVATION AND SIGNBOARD	CONSTRUCTION IN PROGRESS	AUTOMOBILES	TOTAL
	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>							
<b>2025</b>							
<i>Cost</i>							
Beginning of financial year	2,973,651	35,498,691	3,542,507	16,072,155	31,500	1,068,830	59,187,334
Additions	646,794	7,001,264	2,322,067	2,072,531	418,758	-	12,461,414
Disposals	(110,571)	(67,750)	(51,779)	(222,919)	(31,500)	(551,600)	(1,036,119)
End of financial year	3,509,874	42,432,205	5,812,795	17,921,767	418,758	517,230	70,612,629
<i>Accumulated depreciation</i>							
Beginning of financial year	1,410,561	14,442,360	1,765,015	4,895,303	-	1,068,826	23,582,065
Depreciation charge (Note 5)	319,015	3,606,334	450,562	1,375,953	-	-	5,751,864
Disposals	(63,478)	(32,719)	(8,921)	(63,078)	-	(551,598)	(719,794)
End of financial year	1,666,098	18,015,975	2,206,656	6,208,178	-	517,228	28,614,135
<b>Net book value</b>							
End of financial year	1,843,776	24,416,230	3,606,139	11,713,589	418,758	2	41,998,494

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 17. Property, Plant and Equipment (Continued)

	COMPUTERS AND OFFICE EQUIPMENT	TOOLS AND MACHINERY	FURNITURE, ELECTRICAL AND FITTINGS	RENOVATION AND SIGNBOARD	CONSTRUCTION IN PROGRESS	AUTOMOBILES	FREEHOLD LAND	TOTAL
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group</b>								
<b>2024</b>								
<i>Cost</i>								
Beginning of financial year	2,675,587	34,657,672	2,976,269	14,614,015	-	835,879	2,344,120	58,103,542
Additions	325,717	5,046,280	571,665	2,547,930	31,500	-	-	8,523,092
Disposals	(27,653)	(4,205,261)	(5,427)	(39,790)	-	-	(2,344,120)	(6,622,251)
Reclassified (to)/from right-of-use assets (Note 18)	-	-	-	(1,050,000)	-	232,951	-	(817,049)
End of financial year	2,973,651	35,498,691	3,542,507	16,072,155	31,500	1,068,830	-	59,187,334
<i>Accumulated depreciation</i>								
Beginning of financial year	1,138,590	11,447,146	1,459,039	3,976,665	-	835,875	-	18,857,315
Depreciation charge (Note 5)	294,032	3,137,340	309,174	1,097,678	-	46,590	-	4,884,814
Disposals	(22,061)	(142,126)	(3,198)	(750)	-	-	-	(168,135)
Reclassified (to)/from right-of-use assets (Note 18)	-	-	-	(178,290)	-	186,361	-	8,071
End of financial year	1,410,561	14,442,360	1,765,015	4,895,303	-	1,068,826	-	23,582,065
<b>Net book value</b>								
End of financial year	1,563,090	21,056,331	1,777,492	11,176,852	31,500	4	-	35,605,269

- (a) Right-of-use assets acquired under leasing arrangement are reclassified and presented in Note 18 to the financial statements.
- (b) Bank borrowings are secured on property, plant and equipment of the Group with carrying amounts of RM10,738,488 (2024: RM4,848,674) (Note 23(a)(ii)).

# 86 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 18. Right-of-Use Assets

	PREMISES RM	BUILDINGS RM	LEASEHOLD LAND RM	AUTOMOBILES RM	TOTAL RM
<b>Group</b>					
<b>2025</b>					
<i>Cost</i>					
Beginning of financial year	35,481,901	22,884,892	17,229,339	7,118,160	82,714,292
Additions	5,582,377	–	–	3,084,412	8,666,789
Disposals	(1,003,712)	(55,250)	–	(1,117,409)	(2,176,371)
Reclassification	–	850,293	(850,293)	–	–
End of financial year	40,060,566	23,679,935	16,379,046	9,085,163	89,204,710
<i>Accumulated depreciation</i>					
Beginning of financial year	14,723,038	1,347,969	1,389,143	2,837,993	20,298,143
Disposals	(1,003,712)	–	–	(646,799)	(1,650,511)
Depreciation charge (Note 5)	3,573,397	448,308	516,870	1,594,245	6,132,820
End of financial year	17,292,723	1,796,277	1,906,013	3,785,439	24,780,452
<b>Net book value</b>					
End of financial year	22,767,843	21,883,658	14,473,033	5,299,724	64,424,258
<b>2024</b>					
<i>Cost</i>					
Beginning of financial year	32,273,116	7,134,368	11,729,339	6,387,472	57,524,295
Derecognition due to sub-lease (Note 18(b)(ii))	(1,167,151)	–	–	–	(1,167,151)
Additions	4,375,936	14,700,524	5,500,000	1,756,261	26,332,721
Disposals	–	–	–	(792,622)	(792,622)
Reclassified from/(to) property, plant and equipment (Note 17)	–	1,050,000	–	(232,951)	817,049
End of financial year	35,481,901	22,884,892	17,229,339	7,118,160	82,714,292
<i>Accumulated depreciation</i>					
Beginning of financial year	11,044,684	975,557	982,274	2,118,598	15,121,113
Disposals	–	–	–	(378,233)	(378,233)
Depreciation charge (Note 5)	3,678,354	194,122	406,869	1,283,989	5,563,334
Reclassified from/(to) property, plant and equipment (Note 17)	–	178,290	–	(186,361)	(8,071)
End of financial year	14,723,038	1,347,969	1,389,143	2,837,993	20,298,143
<b>Net book value</b>					
End of financial year	20,758,863	21,536,923	15,840,196	4,280,167	62,416,149



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 18. Right-of-Use Assets (Continued)

Bank borrowings are secured on leasehold land and buildings of the Group with carrying amounts of RM36,356,691 (2024: RM37,377,119) (Note 23(a)(ii)).

(a) *The Group as a lessee*

### Premises

The Group leases office space and buildings for the purposes of back-office operation, car showrooms, warehouse and service centres respectively.

### Automobiles

The Group leases automobiles for business operation purposes.

The Group make monthly lease payments for the assets above. There are no externally imposed covenants on these agreements.

(i) *Interest expense*

	GROUP	
	2025	2024
	RM	RM
Interest expense on lease liabilities (Note 9)	1,134,314	1,115,315

(ii) *Cash flows*

	GROUP	
	2025	2024
	RM	RM
Total cash outflows for all the leases	7,056,891	6,468,786

(iii) *Lease expense not capitalised in lease liabilities*

	GROUP	
	2025	2024
	RM	RM
Lease expense – short-term leases (Note 5)	370,314	420,445

(iv) *Future cash outflow which are not capitalised in lease liabilities*

### Extension options

The leases for certain buildings contain extension periods, for which the related lease payments had been included in lease liabilities as the Group is reasonably certain to exercise these extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of the extension options are exercisable by the Group and not by the lessor.

# 88 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 18. Right-of-Use Assets (Continued)

(b) *The Group as an intermediate lessor*

*Sub-lease – classified as finance lease*

The Group sub-lease its right-of-use of the premise to a non-related party and is classified as finance lease because the sub-lease is for the entire remaining lease term of the head lease.

During the financial year ended 31 March 2024, the right-of-use asset relating to the head lease with sub-lease classified as finance lease amounted to RM1,167,151 was derecognised. The net investment in the sub-lease is recognised under “Trade and other receivables” (Note 13).

Finance income on the net investment in sub-lease during the financial year is RM20,478 (2024: RM51,448) (Note 7).

The following table shows the maturity analysis of the undiscounted lease payments to be received:

	GROUP	
	2025	2024
	RM	RM
Less than one year	310,050	318,000
One to two years	145,750	482,300
Total undiscounted lease payments	455,800	800,300
Less: Unearned finance income	(11,723)	(32,201)
Net investment in finance lease	444,077	768,099
Current (Note 13)	299,573	297,522
Non-current (Note 13)	144,504	470,577
Total	444,077	768,099

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## 19. Intangible Assets

	GROUP	
	2025 RM	2024 RM
<u>Composition:</u>		
Goodwill (Note (a))	376,541	376,541
Customer relationship (Note (b))	-	-
Licence (Note (c))	-	-
	376,541	376,541

(a) Goodwill

	GROUP	
	2025 RM	2024 RM
<i>Cost and carrying amount</i>		
Beginning and end of financial year	376,541	376,541

The goodwill of RM376,541 is allocated to the Dealership business where the operations are located in Malaysia.

### Impairment test for goodwill

In assessing whether an impairment is required, the carrying amount of the CGU is compared with its recoverable amount. The recoverable amount of the CGU was determined based on value-in-use. The value-in-use is determined based on financial budgets approved by management covering a five-year period using the growth rate stated below.

Key assumptions used for value-in-use calculations:

	DEALERSHIP BUSINESS	
	2025 %	2024 %
Growth rate <sup>(1)</sup>	5.0 – 10.0	5.0 – 10.0
Discount rate <sup>(2)</sup>	14.0	15.1

(1) Revenue growth rate used for extrapolation of future revenue for the five-year period

(2) Pre-tax discount rate applied to pre-tax cash flow projection

These assumptions were used for the analysis of the CGU. The management estimates discount rate using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rate is based on past performance and expectations on market development.

Based on the five-year projected cash flow, the recoverable amount of the CGU exceeds its carrying amount. If the management's estimated growth rate used in the value-in-use calculation for this CGU had declined by 1%, or the estimated pre-tax discount rate applied to the discounted cash flows for this CGU had been decreased to 14% (2024: 15%), the recoverable amount of the CGU would equal to the carrying amount.

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For the financial year ended 31 March 2025

## 19. Intangible Assets (Continued)

(b) *Customer relationship*

	GROUP	
	2025 RM	2024 RM
<b>Cost</b>		
Beginning and end of financial year	98,909	98,909
<b>Accumulated amortisation</b>		
Beginning of financial year	98,909	92,041
Amortisation charge (Note 5)	–	6,868
End of financial year	98,909	98,909
<b>Net book value</b>		
End of financial year	–	–

(c) *Licence*

	GROUP	
	2025 RM	2024 RM
<b>Cost</b>		
Beginning and end of financial year	3,878,545	3,878,545
<b>Accumulated amortisation</b>		
Beginning of financial year	3,878,545	3,609,201
Amortisation charge (Note 5)	–	269,344
End of financial year	3,878,545	3,878,545
<b>Net book value</b>		
End of financial year	–	–

## 20. Investments in Subsidiary Corporations

	COMPANY	
	2025 RM	2024 RM
<b>Equity investment at cost</b>		
Beginning and end of financial year	26,094,134	26,094,134

# NOTES TO THE FINANCIAL STATEMENTS

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## 20. Investments in Subsidiary Corporations (Continued)

The Group has the following subsidiary corporations as at 31 March 2025 and 2024:

NAME	COUNTRY OF BUSINESS/ INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF ORDINARY SHARES			
			HELD BY THE GROUP		HELD BY NON- CONTROLLING INTERESTS	
			2025	2024	2025	2024
			%	%	%	%
<u>Held by the Company</u>						
MeMG Pte. Ltd. (“ <b>MeMG</b> ”) <sup>(1)</sup>	Singapore	Investment holding	100	100	–	–
MeAG Pte. Ltd. (“ <b>MeAG</b> ”) <sup>(1)</sup>	Singapore	Investment holding	100	100	–	–
<u>Held by MeMG Pte. Ltd.</u>						
Menang Nusantara Sdn. Bhd. (“ <b>MNSB</b> ”) <sup>(2)(4)</sup>	Malaysia	Manufacturing of Noise, Vibration and Harshness (“ <b>NVH</b> ”) components and other non-NVH components	96.8	100	3.2	–
<u>Held by Menang Nusantara Sdn. Bhd.</u>						
Menang Nusantara Assembly Sdn. Bhd. (“ <b>MNASSB</b> ”) <sup>(5)</sup>	Malaysia	Manufacturing of parts and accessories for motor vehicles	96.8	–	3.2	–
<u>Held by MeAG Pte. Ltd.</u>						
Menang Nusantara Holdings Sdn. Bhd. (“ <b>MNHSB</b> ”) <sup>(2)</sup>	Malaysia	Investment holding	100	100	–	–
<u>Held by Menang Nusantara Holdings Sdn. Bhd.</u>						
Menang Nusantara Auto Sdn. Bhd. (“ <b>MNASB</b> ”) <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	100	100	–	–
MN Otomobil Sdn. Bhd. (“ <b>MNOSB</b> ”) <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	100	100	–	–
MN Automart Sdn. Bhd. (“ <b>MNAMS</b> ”) <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	100	100	–	–
MN Otomart Sdn. Bhd. (“ <b>MNOMS</b> ”) <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	100	100	–	–
MN Wheels Sdn. Bhd. (“ <b>MNWSB</b> ”) <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	100	100	–	–

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For the financial year ended 31 March 2025

## 20. Investments in Subsidiary Corporations (Continued)

The Group has the following subsidiary corporations as at 31 March 2025 and 2024: (continued)

NAME	COUNTRY OF BUSINESS/ INCORPORATION	PRINCIPAL ACTIVITIES	PROPORTION OF ORDINARY SHARES HELD BY NON-CONTROLLING INTERESTS			
			PROPORTION OF ORDINARY SHARES HELD BY THE GROUP			
			2025	2024	2025	2024
			%	%	%	%
<u>Held by Menang Nusantara Holdings Sdn. Bhd. (continued)</u>						
MJN Motors Sdn. Bhd. ("MJNMSB") <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	80	80	20	20
<u>Held by MJN Motors Sdn. Bhd.</u>						
MJN Auto Sdn. Bhd. ("MJNASB") <sup>(2)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	80	80	20	20
MJN Automart Sdn. Bhd. ("MJNAMSB") <sup>(2)(3)</sup>	Malaysia	Trading of motor vehicles and providing support services relating to the business	80	80	20	20

(1) Audited by CLA Global TS Public Accounting Corporation, Singapore.

(2) Audited by Morison LC PLT, Malaysia. Reviewed by CLA Global TS Public Accounting Corporation for consolidation purpose.

(3) On 18 April 2023, the Group through its subsidiary corporation, MJN Motors Sdn. Bhd., entered into a sales of share agreement to acquire an additional 10% equity interests in the issued share capital of MJN Automart Sdn. Bhd. ("MJNAMSB") for a purchase consideration of RM150,000. As a result, the Group holds 80% effective equity interests in MJNAMSB. Details of the acquisition are disclosed within "Transactions with non-controlling interests".

(4) On 8 July 2024, the Group through its subsidiary corporation, MeMG Pte. Ltd. entered into a share sales agreement to dispose of its 3.2% equity interests in MNSB at a consideration of RM3,195,360. Following the disposal, the Group retains its 96.8% of equity interests in MNSB, without loss of control. Details of the disposal are disclosed within "Transactions with non-controlling interests".

(5) On 6 March 2025, MNASSB a wholly owned subsidiary corporation of MNSB was incorporated in Malaysia. It is currently a dormant entity and is exempted from audit requirement under the local jurisdiction.

In accordance to Rule 716 of the SGX-ST Listing Manual, the Audit Committees and the Board of Directors of the Company confirmed that they are satisfied that the appointment of different auditors for its subsidiary corporations and associated company (Note 21) would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

*Carrying value of non-controlling interests*

	GROUP	
	2025	2024
	RM	RM
MJN Motors Sdn. Bhd.	965,418	866,531
MJN Auto Sdn. Bhd.	667,178	690,023
MJN Automart Sdn. Bhd.	214,559	25,366
Menang Nusantara Sdn. Bhd.	1,180,934	-
Other subsidiary corporation with immaterial non-controlling interest	(146)	-
	3,027,943	1,581,920



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## 20. Investments in Subsidiary Corporations (Continued)

*Summarised financial information of subsidiary corporations with material non-controlling interests*

Set out below are the summarised financial information for each subsidiary corporation that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

*Summarised statement of financial position*

	MJN MOTORS SDN. BHD.		MJN AUTO SDN. BHD.	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>Current</b>				
Assets	10,204,568	12,304,367	5,675,490	8,386,542
Liabilities	(5,432,933)	(8,229,478)	(3,478,234)	(5,413,452)
Total current net assets	4,771,635	4,074,889	2,197,256	2,973,090
<b>Non-current</b>				
Assets	9,575,491	10,585,423	7,233,882	7,335,095
Liabilities	(9,520,038)	(10,327,659)	(6,095,248)	(6,858,069)
Total non-current net assets	55,453	257,764	1,138,634	477,026
<b>Net assets</b>	4,827,088	4,332,653	3,335,890	3,450,116

	MJN AUTOMART SDN. BHD.		MENANG NUSANTARA SDN. BHD.	
	2025	2024	2025	2024
	RM	RM	RM	RM
<b>Current</b>				
Assets	5,896,747	3,714,102	28,306,221	-
Liabilities	(4,691,128)	(2,849,576)	(9,409,209)	-
Total current net assets	1,205,619	864,526	18,897,012	-
<b>Non-current</b>				
Assets	9,052,351	9,397,872	61,935,921	-
Liabilities	(9,185,175)	(10,135,567)	(43,928,742)	-
Total non-current net (liabilities)/assets	(132,824)	(737,695)	18,007,179	-
<b>Net assets</b>	1,072,795	126,831	36,904,191	-

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For the financial year ended 31 March 2025

## 20. Investments in Subsidiary Corporations (Continued)

Summarised financial information of subsidiary corporations with material non-controlling interests (continued)

Summarised statement of comprehensive income

	MJN MOTORS SDN. BHD.		MJN AUTO SDN. BHD.	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue	82,356,636	96,179,057	66,503,898	83,803,309
Profit/(loss) before income tax	1,283,403	1,735,028	(72,452)	527,302
Income tax (expense)/credit	(416,968)	(505,484)	(41,774)	8,459
Profit/(loss) for the financial year	866,435	1,229,544	(114,226)	535,761
Total comprehensive income/(loss) allocated to non-controlling interests	173,287	245,909	(22,845)	107,152
Dividend paid to non-controlling interests	74,400	20,000	-	-

	MJN AUTOMART SDN. BHD.		MENANG NUSANTARA SDN. BHD.	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue	55,899,499	46,433,571	72,612,511	-
Profit/(loss) before income tax	1,008,766	(913,265)	5,917,551	-
Income tax (expense)/credit	(62,802)	450	(1,677,270)	-
Profit/(loss) for the financial year	945,964	(912,815)	4,240,281	-
Total comprehensive income/(loss) allocated to non-controlling interests	189,193	(182,563)	135,689	-
Dividend paid to non-controlling interests	-	-	16,320	-

Summarised statement of cash flows

	MJN MOTORS SDN. BHD.		MJN AUTO SDN. BHD.	
	2025	2024	2025	2024
	RM	RM	RM	RM
Net cash provided by/(used in) operating activities	5,983,193	1,426,360	4,004,681	(1,457,730)
Net cash provided by/(used in) by investing activities	983,522	(1,506,935)	(1,362,712)	(51,269)
Net cash (used in)/provided by financing activities	(6,824,565)	(232,694)	(3,450,384)	2,250,579

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 20. Investments in Subsidiary Corporations (Continued)

*Summarised financial information of subsidiary corporations with material non-controlling interests (continued)*

*Summarised statement of cash flows (continued)*

	MJN AUTOMART SDN. BHD.		MENANG NUSANTARA SDN. BHD.	
	2025	2024	2025	2024
	RM	RM	RM	RM
Net cash provided by operating activities	1,239,825	4,389,142	16,842,142	-
Net cash (used in)/provided by investing activities	(441,607)	84,613	(9,009,033)	-
Net cash used in financing activities	(78,264)	(4,456,058)	(4,621,074)	-

*Transactions with non-controlling interests*

- (a) Acquisition of additional equity interests in a subsidiary corporation

On 18 April 2023, the Group through its subsidiary corporation, MJNMSB entered into a sales of share agreement to acquire an additional 10% equity interests in the issued share capital of MJNMSB for a purchase consideration of RM150,000. The purchase consideration was satisfied by way of cash.

The following summarise the effect of the changes in the Group's ownership interests in MJNMSB on the equity attributable to owners of the Company:

	GROUP
	2024
	RM
Consideration paid to non-controlling interests	150,000
Carrying amount of non-controlling interests acquired	(113,226)
Excess of consideration paid recognised in parent's equity (Note 28(b))	36,774

- (b) Disposal of equity interests in a subsidiary corporation without loss of control

On 8 July 2024, the Group through its subsidiary corporation, MeMG Pte. Ltd. entered into a share sales agreement to dispose of its 3.2% equity interests in MNSB at a consideration of RM3,195,360. Following the disposal, the Group retain its 96.8% equity interests in MNSB without loss of control. The sale consideration was satisfied by way of cash.

The following summarise the effect of the changes in the Group's ownership interests in MNSB on the equity attributable to owners of the Company:

	GROUP
	2025
	RM
Consideration received from non-controlling interests	3,195,360
Carrying amount of equity interests in subsidiary corporation disposed	(1,061,565)
Excess of consideration received recognised in parent's equity (Note 28(b))	2,133,795

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For the financial year ended 31 March 2025

## 21. Investment in an Associated Company

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Beginning of financial year	963,903	935,406	919,248	919,248
Share of profit	51,795	28,497	–	–
End of financial year	1,015,698	963,903	919,248	919,248

On 19 August 2022, the Company entered into an investment agreement with Hanamaru Co., Ltd. (the “**Vendor**”) and the Vendor’s wholly owned subsidiary corporation, Hanamaru Auto Trading (Malaysia) Sdn. Bhd. (“**Hanamaru**”), to acquire 20% equity interests in Hanamaru (the “**Proposed Transaction**”). The aggregate consideration for the Proposed Transaction is RM919,248.

On 8 September 2022, the Proposed Transaction had been completed and the Company became the legal and beneficial owner of 20% of the enlarged issued and paid-up share capital of Hanamaru which comprises 222,222 ordinary shares in Hanamaru.

Apart from the investment above, the Vendor and Hanamaru have agreed to grant the Company two call options over Hanamaru Shares to give the Company a right to subscribe for and/or acquire additional Hanamaru shares to increase its equity interests in Hanamaru to 34.5% and 49% respectively, should the call options be exercised (see Note 16). The call options are not expected to be exercised within the next 12 months.

There are no contingent liabilities relating to the Group’s interest in the associated company.

Details of the associated company are as follows:

NAME	COUNTRY OF BUSINESS/ INCORPORATION	PRINCIPAL ACTIVITIES	% OF OWNERSHIP INTEREST	
			2025 %	2024 %
Hanamaru Auto Trading (Malaysia) Sdn. Bhd. <sup>(a)</sup>	Malaysia	Online sales of used and salvage motor vehicles	20	20

(a) Audited by Roy WC & Co, Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

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## 21. Investment in an Associated Company (Continued)

*Summarised financial information for associated company*

*Summarised statement of financial position*

HANAMARU AUTO TRADING (MALAYSIA) SDN. BHD.	2025 RM	2024 RM
<b>Current</b>		
Assets	2,810,943	2,257,134
Liabilities	(1,262,629)	(977,143)
Total current net assets	1,548,314	1,279,991
<b>Non-current</b>		
Assets	672,181	637,520
Liabilities	-	-
Total non-current net assets	672,181	637,520
<b>Net assets</b>	2,220,495	1,917,511

*Summarised statement of comprehensive income*

HANAMARU AUTO TRADING (MALAYSIA) SDN. BHD.	2025 RM	2024 RM
Revenue	4,461,997	3,555,004
Profit before income tax	310,920	297,977
Income tax expenses	(8,400)	(111,950)
Net profit, representing total comprehensive income	302,520	186,027

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

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For the financial year ended 31 March 2025

## 21. Investment in an Associated Company (Continued)

### Reconciliation of summarised financial information

Reconciliation of the summaries financial information presented to the carrying amount of the Group's interest in the associated company, is as follows:

HANAMARU AUTO TRADING (MALAYSIA) SDN. BHD.	2025 RM	2024 RM
Net tangible assets at the acquisition date	1,701,615	1,701,615
Net intangible asset at the acquisition date	217,715	217,715
Total net assets at the acquisition date	1,919,330	1,919,330
Group's equity interest	20%	20%
Group's share of net asset at the acquisition date	383,866	383,866
Goodwill on acquisition	535,382	535,382
Share of profit	118,947	58,443
Less: Amortisation of intangible asset	(22,497)	(13,788)
Share of post-acquisition profit, net	96,450	44,655
Carrying value	1,015,698	963,903

## 22. Trade and Other Payables

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables				
- Non-related parties	9,095,637	22,959,386	-	-
Other payables				
- Non-related parties	1,081,956	2,183,274	-	-
- Directors	-	121,044	-	121,044
	1,081,956	2,304,318	-	121,044
Accruals for operating expenses	4,967,164	5,167,943	320,054	234,870
Deposits from customers	1,166,012	1,057,145	-	-
Deferred income <sup>(1)</sup>	460,211	1,748,704	-	-
	16,770,980	33,237,496	320,054	355,914

Trade payables are unsecured and are usually paid within 30 – 90 days of recognition.

Other payables to directors are unsecured, interest-free and payable on demand.

- (1) Included in the deferred income is an amount of RM nil (2024: RM265,000) for Business Development Fund received from a non-related party for the purpose of workshop establishment and funds for marketing and sales effort.

The remaining balance of deferred income relates to advance billings to customers for development of tooling, moulds and related products that had yet to be delivered as at the end of the reporting period. The transaction price allocated to the unsatisfied performance obligation as at reporting date will be recognised as revenue according to the future automotive parts to be delivered to the customers. Revenue recognised in current financial year that was included in the deferred income balance at the beginning of the financial year amounted to RM1,227,986 (2024: RM2,814,697).



# NOTES TO THE FINANCIAL STATEMENTS

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## 23. Borrowings

	GROUP		COMPANY	
	2025 RM	2024 RM	2025 RM	2024 RM
<i>Current</i>				
Bank overdrafts (Note 12)	2,003,685	2,107,101	-	-
Bill payables	9,171,181	10,841,492	-	-
Term loans	5,026,047	5,525,904	-	1,535,600
	16,200,913	18,474,497	-	1,535,600
<i>Non-current</i>				
Term loans	49,683,460	49,436,179	-	-
Total borrowings	65,884,373	67,910,676	-	1,535,600

The Group's and the Company's borrowings are subject to floating interest rate primarily from its term loan that are charged on a fixed spread over the financial institutions' base lending rate or cost of fund per annum. The spread rate is reviewed annually.

### (a) Security granted

#### (i) Bank overdrafts and bills payables of the Group are secured by the followings:

- Jointly and severally guaranteed by certain directors of subsidiary corporations; and
- Pledged of the Group's fixed deposits (Note 12).

#### (ii) Term loans of the Group and the Company are secured by the followings:

- Corporate guarantee by the Company and certain subsidiary corporations;
- First party first legal charge over the Group's leasehold land and buildings (Note 18);
- Fixed and floating charge on all present and future assets of the Group including the inventories financed by the banks;
- Jointly and severally guaranteed by certain directors of subsidiary corporations;
- Pledged of the Group's fixed deposits (Note 12); and
- Specific debenture on certain property, plant and equipment of the Group (Note 17(b)).

# 100 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 23. Borrowings (Continued)

(b) Fair value of non-current borrowings

	GROUP	
	2025 RM	2024 RM
Term loans	43,610,289	43,858,848

The fair values above are determined from the cash flow analyses, discounted at market borrowing rates of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	GROUP	
	2025 %	2024 %
Term loans	4.00 – 7.90	4.00 – 7.65

(c) Loan covenants

Under the terms of certain non-current bank borrowings, which has a carrying amount of RM31,697,107 (2024: RM31,251,545), the Group is required to comply with the following financial covenants at the end of each half-yearly period:

	2025 RM	COVENANTS	COMPLIANCE AS AT 31 MARCH 2025
Term loan I	379,258	Gearing ratio not to exceed 2.0 times Tangible net worth not to fall below RM20,000,000 Debt service coverage ratio not to fall below 1.3 times	Gearing ratio is 1.21 times Tangible net worth is RM35,024,191 Debt service coverage ratio is 2.67 times
Term loan II	23,890,488	Gearing ratio not to exceed 1.5 times Tangible net worth not to fall below RM9,000,000 Total advances to related companies not to exceed RM4,000,000	Gearing ratio is 1.21 times Tangible net worth is RM35,024,191 Total advances to related companies is RM1,374,474
Term loan III	1,905,332	Gearing ratio not to exceed 3.0 times at Group level	Gearing ratio is 0.87 times at Group level
Term loan IV	5,522,029	Gearing ratio not to exceed 3.0 times Gearing ratio not to exceed 3.0 times at Group level	Gearing ratio is 1.98 times Gearing ratio is 0.87 times at Group level
	31,697,107		

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 23. Borrowings (Continued)

### (c) Loan covenants (continued)

Under the terms of certain non-current bank borrowings, which has a carrying amount of RM31,697,107 (2024: RM31,251,545), the Group is required to comply with the following financial covenants at the end of each half-yearly period: (continued)

	2024 RM	COVENANTS	COMPLIANCE AS AT 31 MARCH 2024
Term loan I	770,967	Gearing ratio not to exceed 2.0 times Tangible net worth not to fall below RM20,000,000 Debt service coverage ratio not to fall below 1.3 times	Gearing ratio is 1.28 times Tangible net worth is RM33,173,913 Debt service coverage ratio is 3.79 times
Term loan II	22,106,302	Gearing ratio not to exceed 1.5 times Tangible net worth not to fall below RM9,000,000 Total advances to related companies not to exceed RM4,000,000	Gearing ratio is 1.28 times Tangible net worth is RM33,173,913 Total advances to related companies is RM1,929,698
Term loan III	2,246,775	Gearing ratio not to exceed 3.0 times at Group level	Gearing ratio is 0.82 times at Group level
Term loan IV	6,127,501	Gearing ratio not to exceed 3.0 times Gearing ratio not to exceed 3.0 times at Group level	Gearing ratio is 1.55 times Gearing ratio is 0.82 times at Group level
	<u>31,251,545</u>		

The Group has complied with these covenants throughout the reporting period ended 31 March 2025 and 2024 respectively.

## 24. Lease Liabilities

### The Group as a lessee

Lease liabilities are presented in the statement of financial position as follows:

	GROUP	
	2025 RM	2024 RM
Current	5,163,820	4,735,874
Non-current	26,036,279	23,658,868
Total	<u>31,200,099</u>	<u>28,394,742</u>

Lease liabilities of the Group were effectively secured over the automobiles (Note 18) of RM5,146,558 (2024: RM4,036,935) and inventories (Note 15) of RM188,504 (2024: RM322,209), as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the lease liabilities.

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For the financial year ended 31 March 2025

## 25. Deferred Income Tax Liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The amount shown on the statement of financial position as follows:

	GROUP	
	2025	2024
	RM	RM
Current		
Deferred income tax liabilities to be settled after one year	4,556,056	3,825,843

Movement in deferred income tax accounts is as follows:

	GROUP	
	2025	2024
	RM	RM
Beginning of financial year	3,825,843	2,377,838
Under provisions in prior financial year (Note 10(a))	77,551	1,351,396
Tax charged to profit or loss (Note 10(a))	652,662	96,609
End of financial year	4,556,056	3,825,843

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

*Deferred income tax liabilities*

	ACCELERATED TAX DEPRECIATION/ AMORTISATION	RIGHT-OF-USE ASSETS	OTHERS	TOTAL
	RM	RM	RM	RM
<b>Group</b>				
<b>2025</b>				
Beginning of financial year	4,129,603	3,656,251	184,344	7,970,198
Tax charged to profit or loss	2,169,331	1,290,965	(184,344)	3,275,952
End of financial year	6,298,934	4,947,216	–	11,246,150
<b>2024</b>				
Beginning of financial year	1,851,731	1,621,255	66,291	3,539,277
Tax charged to profit or loss	2,277,872	2,034,996	118,053	4,430,921
End of financial year	4,129,603	3,656,251	184,344	7,970,198

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 25. Deferred Income Tax Liabilities (Continued)

*Deferred income tax assets*

	LEASE LIABILITIES RM	TAX LOSSES RM	CAPITAL ALLOWANCE RM	TOTAL RM
<b>Group</b>				
<b>2025</b>				
Beginning of financial year	4,075,726	66,823	1,806	4,144,355
Tax charged to profit or loss	2,549,514	(1,969)	(1,806)	2,545,739
End of financial year	6,625,240	64,854	–	6,690,094
<b>2024</b>				
Beginning of financial year	1,161,439	–	–	1,161,439
Tax charged to profit or loss	2,914,287	66,823	1,806	2,982,916
End of financial year	4,075,726	66,823	1,806	4,144,355

## 26. Share Capital

	GROUP AND COMPANY	
	NO. OF ORDINARY SHARES	AMOUNT RM
<b>2025 and 2024</b>		
Beginning and end of financial year	119,523,315	37,356,382

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 26. Share Capital (Continued)

### Performance share plan

The Company's shareholders approved a performance share scheme known as the MeGroup Performance Share Plan (the "**MeGroup PSP**") on 26 September 2018. This plan awards the participants to receive fully paid shares free of charge, provided that certain prescribed performance targets (if any) are met and upon expiry of the prescribed performance period.

Executive directors and employees of the Group and the associated companies ("**Group Employees**") who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Remuneration Committee (the "**RC**") from time to time, and non-executive directors (including independent directors) of the Group, shall be eligible to participate in the MeGroup PSP at the absolute discretion of the RC.

Persons who are controlling shareholders or associates of controlling shareholders who meet the criteria above are also eligible to participate in the MeGroup PSP provided that the participation of and the terms and actual numbers of the awards granted under MeGroup PSP to a participant who is a controlling shareholder or an associate of a controlling shareholder shall be approved by independent shareholders of the Company and a separate resolution must be passed for each such person subject to the following:

- (a) the aggregate number of shares over which awards may be granted under the MeGroup PSP to controlling shareholders or associates of controlling shareholders shall not exceed 25.0% of the shares available under the MeGroup PSP; and
- (b) the number of shares over which an award may be granted under the MeGroup PSP to each controlling shareholder or an associate of a controlling shareholder shall not exceed 10.0% of the shares available under the MeGroup PSP.

The MeGroup PSP is a share incentive scheme which will allow the Company, inter alia, to set target specific performance objectives and to provide an incentive for participants to achieve these targets. The directors believe that the MeGroup PSP will help to achieve the following positive objectives:

- (a) foster an ownership culture within the Group which aligns the interests of group executives and non-executive directors with the interests of shareholders;
- (b) motivate participants to achieve key financial and operational goals of the Company and/or their respective business units; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world class company.

The MeGroup PSP is administered by the RC which comprises of four independent directors, namely Benjamin Choo Chih Chien, Chee Teck Kwong Patrick, Edmund Lai Sou Wei and Chong Kwea Seng.

The MeGroup PSP shall continue in force at the absolute discretion of the RC, subject to a maximum period of ten (10) years commencing on the date on which the MeGroup PSP is adopted by the Company in general meeting, provided always that the MeGroup PSP may continue beyond the above stipulated period with the approval of shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 26. Share Capital (Continued)

### Performance share plan (continued)

The Company will deliver shares to participants upon vesting of their awards by way of either:

- (i) an issue of new shares; or
- (ii) a transfer of shares acquired by the Company pursuant to a share purchase mandate and/or held by the Company as treasury shares.

The total number of shares which may be issued or transferred pursuant to awards granted under the MeGroup PSP on any date, when aggregated with the aggregate number of shares over which options are granted under any other share option schemes of the Company, shall not exceed 15.0% of the total number issued shares (excluding shares held by the Company as treasury shares and subsidiary corporations holdings, if any) on the day preceding that date.

No performance shares have been awarded since the commencement of the MeGroup PSP.

### Share options

On 26 September 2018, the shareholders approved a share option scheme known as the MeGroup Share Option Scheme (the “**MeGroup SOS**”) for the Group Employees, non-executive directors (including independent directors) of the Group and the associated companies and directors and employees of the Company’s parent company who have contributed to the success and development of the Company, are eligible to participate in the MeGroup SOS. For this purpose, a company is an “associated company” if the Company or the Company and the subsidiary corporations and associated companies hold at least 20.0% but not more than 50.0% of the issued shares in that company and provided the Company has significant influence over the associated company. The MeGroup SOS is administered by the RC which comprises of four independent directors, namely Benjamin Choo Chih Chien, Chee Teck Kwong Patrick, Edmund Lai Sou Wei and Chong Kwea Seng.

The MeGroup SOS is designed to provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

The options that are granted under the MeGroup SOS may have exercise prices that are, at the RC’s discretion, set at a price (the “**Market Price**”) equal to the average of the last dealt prices for a share on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the five (5) consecutive market days immediately preceding the date on which an offer to grant an option is made or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price (“**Market Price Option**”) may be exercised after the first anniversary of the date on which an offer to grant that option is made while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that option is made (“**Incentive Option**”). Options granted under the MeGroup SOS to any Group Employee will have a life span of up to ten (10) years from the date on which they are granted and all other options granted under the MeGroup SOS will have a life span of five (5) years from the date on which they are granted.

The aggregate number of shares over which the RC may grant options on any date, when added to the number of shares issued and issuable or transferred and to be transferred in respect of all options granted under the MeGroup SOS and the number of shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued shares (excluding shares held by the Company as treasury shares and subsidiary corporations holdings, if any) on the day immediately preceding the date on which an offer to grant an option is made.

There were no options granted since the commencement of the MeGroup SOS to subscribe for unissued shares of the Company or its subsidiary corporations.

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For the financial year ended 31 March 2025

## 27. Retained Profits/(Accumulated Losses)

- (a) Retained profits of the Group are distributable except for retained profit of an associated company amounting to RM96,450 (2024: RM44,655).
- (b) Movement in accumulated losses for the Company is as follows:

	COMPANY	
	2025 RM	2024 RM
Beginning of financial year	(10,407,013)	(10,481,976)
Net profit for the financial year	1,976,209	553,056
Dividends paid (Note 29)	(836,663)	(478,093)
End of financial year	(9,267,467)	(10,407,013)

## 28. Other Reserves

	GROUP	
	2025 RM	2024 RM
<u>Composition:</u>		
Merger reserve (Note (a))	(24,594,282)	(24,594,282)
Capital reserve (Note (b))	2,330,311	196,516
	(22,263,971)	(24,397,766)

Other reserves are non-distributable.

- (a) Merger reserve

	GROUP	
	2025 RM	2024 RM
Beginning and end of financial year	(24,594,282)	(24,594,282)

Merger reverse represents the difference between the cost of investment and the nominal value of share capital of the subsidiary corporations acquired under common control.

- (b) Capital reserve

	GROUP	
	2025 RM	2024 RM
Beginning of financial year	196,516	233,290
Acquisition of additional equity interests in a subsidiary corporation (Note 20(a))	-	(36,774)
Disposal of equity interests in a subsidiary corporation without loss of control (Note 20(b))	2,133,795	-
End of financial year	2,330,311	196,516

Capital reserve represents the difference between the consideration paid and carrying amount of non-controlling interests acquired.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 29. Dividends

	GROUP	
	2025 RM	2024 RM
<i>Ordinary dividends declared and paid</i>		
Interim one-tier tax exempt dividend of RM0.003 per share for the financial year ended 31 March 2025	358,570	-
Interim one-tier tax exempt dividend of RM0.004 per share for the financial year ended 31 March 2024	478,093	-
Interim one-tier tax exempt dividend of RM0.004 per share for the financial year ended 31 March 2024	-	478,093
	<b>836,663</b>	<b>478,093</b>

## 30. Contingencies

The Company has issued a corporate guarantee amounting to RM96,468,000 (2024: RM90,818,000) to banks for borrowings of certain subsidiary corporations.

The Company has evaluated the fair values of the corporate guarantees and is of the view that the consequential liabilities derived from its guarantees to the banks and the fair value of the corporate guarantee are minimal. The subsidiary corporations for which the corporate guarantees were provided are in favourable equity positions, with no default in the payment of borrowings and credit facilities.

## 31. Financial Risk Management

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. This includes establishing detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits.

Financial risk management is carried out by the finance department in accordance with the policies set by the Board of Directors. The finance personnel identifies, evaluates and monitors financial risks in close co-operation with the Group's operating units. The finance personnel measures actual exposures against the limits set and prepares periodic reports for review by the Executive Chairman. Regular reports are also submitted to the Board of Directors.

# 108 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 31. Financial Risk Management (Continued)

(a) Market risk

(i) Currency risk

The Group operates in Asia with dominant operations in Malaysia. Entities in the Group regularly transact in currencies other than their respective functional currencies (“**foreign currencies**”).

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar (“**USD**”), Japanese Yen (“**JPY**”), Thailand Baht (“**THB**”), Singapore Dollar (“**SGD**”) and Chinese Yuan (“**CNY**”).

The Group’s foreign currency exposure based on information provided to key management is as follows:

	MYR RM	USD RM	JPY RM	THB RM	SGD RM	CNY RM	TOTAL RM
<b>Group</b>							
<b>At 31 March 2025</b>							
<b>Financial assets</b>							
Cash and cash equivalents	19,680,303	9,611	–	–	617,695	–	20,307,609
Trade and other receivables	20,076,589	–	–	–	18,294	–	20,094,883
Receivables from subsidiary corporations	706,581	–	–	–	–	–	706,581
Financial assets, at FVPL	177,560	–	–	–	–	–	177,560
	40,641,033	9,611	–	–	635,989	–	41,286,633
<b>Financial liabilities</b>							
Trade and other payables	(12,703,100)	(450,192)	(810,199)	(702,496)	(390,716)	(88,054)	(15,144,757)
Borrowings	(65,884,373)	–	–	–	–	–	(65,884,373)
Lease liabilities	(31,200,099)	–	–	–	–	–	(31,200,099)
Payables to subsidiary corporations	(706,581)	–	–	–	–	–	(706,581)
	(110,494,153)	(450,192)	(810,199)	(702,496)	(390,716)	(88,054)	(112,935,810)
<b>Net financial liabilities</b>	(69,853,120)	(440,581)	(810,199)	(702,496)	245,273	(88,054)	(71,649,177)
Less: Net financial liabilities denominated in functional currencies of respective entities	69,853,120	–	–	–	–	–	69,853,120
<b>Currency exposure</b>	–	(440,581)	(810,199)	(702,496)	245,273	(88,054)	(1,796,057)

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 31. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	MYR RM	USD RM	JPY RM	THB RM	SGD RM	TOTAL RM
<b>Group</b>						
<b>At 31 March 2024</b>						
<b>Financial assets</b>						
Cash and cash equivalents	15,532,835	10,664	-	-	214,654	15,758,153
Trade and other receivables	27,474,464	-	-	-	1,794	27,476,258
Receivables from subsidiary corporations	1,544,141	-	-	-	-	1,544,141
Financial assets, at FVPL	177,560	-	-	-	-	177,560
	44,729,000	10,664	-	-	216,448	44,956,112
<b>Financial liabilities</b>						
Trade and other payables	(27,649,664)	(896,274)	(1,293,501)	(586,154)	(6,054)	(30,431,647)
Borrowings	(66,375,076)	-	-	-	(1,535,600)	(67,910,676)
Lease liabilities	(28,394,742)	-	-	-	-	(28,394,742)
Payables to subsidiary corporations	(1,544,141)	-	-	-	-	(1,544,141)
	(123,963,623)	(896,274)	(1,293,501)	(586,154)	(1,541,654)	(128,281,206)
<b>Net financial liabilities</b>	(79,234,623)	(885,610)	(1,293,501)	(586,154)	(1,325,206)	(83,325,094)
Less: Net financial liabilities denominated in functional currencies of respective entities	79,234,623	-	-	-	-	79,234,623
<b>Currency exposure</b>	-	(885,610)	(1,293,501)	(586,154)	(1,325,206)	(4,090,471)

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# 110 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 31. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's foreign currency exposure based on information provided to key management is as follows:

	MYR RM	SGD RM	TOTAL RM
<b>Company</b>			
<b>At 31 March 2025</b>			
<b>Financial assets</b>			
Cash and cash equivalents	–	617,689	617,689
Trade and other receivables	706,581	1,794	708,375
	706,581	619,483	1,326,064
<b>Financial liabilities</b>			
Trade and other payables	–	(320,054)	(320,054)
<b>Net financial assets</b>	706,581	299,429	1,006,010
Less: Net financial assets denominated in the Company's functional currency	(706,581)	–	(706,581)
<b>Currency exposure</b>	–	299,429	299,429
<b>At 31 March 2024</b>			
<b>Financial assets</b>			
Cash and cash equivalents	–	214,648	214,648
Trade and other receivables	1,544,141	1,794	1,545,935
	1,544,141	216,442	1,760,583
<b>Financial liabilities</b>			
Trade and other payables	–	(355,914)	(355,914)
Borrowings	–	(1,535,600)	(1,535,600)
	–	(1,891,514)	(1,891,514)
<b>Net financial assets/(liabilities)</b>	1,544,141	(1,675,072)	(130,931)
Less: Net financial assets denominated in the Company's functional currency	(1,544,141)	–	(1,544,141)
<b>Currency exposure</b>	–	(1,675,072)	(1,675,072)



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 31. Financial Risk Management (Continued)

### (a) Market risk (continued)

#### (i) Currency risk (continued)

If the USD, JPY, THB, SGD and CNY change against the MYR by 5%, 12%, 7%, 6% and 6% (2024: 5%, 4%, 2%, 7% and 0%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial assets/liabilities position will be as follows:

	← INCREASE/(DECREASE) →			
	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
USD against MYR				
- Strengthened	(16,742)	(33,653)	-	-
- Weakened	16,742	33,653	-	-
JPY against MYR				
- Strengthened	(73,890)	39,322	-	-
- Weakened	73,890	(39,322)	-	-
THB against MYR				
- Strengthened	(37,373)	(8,910)	-	-
- Weakened	37,373	8,910	-	-
SGD against MYR				
- Strengthened	11,184	(70,501)	13,654	(89,114)
- Weakened	(11,184)	70,501	(13,654)	89,114
CNY against MYR				
- Strengthened	(4,015)	-	-	-
- Weakened	4,015	-	-	-

#### (ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing assets, the Group's income is substantially independent of changes in market interest rate. The Group's interest rate risk mainly arises from borrowings at floating interest rate. The Group manages its interest rate risk by keeping bank loans to the minimum required to sustain the operations of the Group.

The Group's and the Company's borrowings at variable rates on which effective hedges have not been entered into are denominated in MYR and SGD. If the MYR and SGD interest rate had been higher/lower by 0.50% (2024: 0.50%) with all other variables including tax rate being held constant, the profit after tax would have been lower/higher by RM250,361 (2024: RM258,061) and RM nil (2024: RM5,835) respectively.

The Group and the Company are not exposed to changes in interest rate for fixed rate financial assets and financial liabilities.

# 112 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 31. Financial Risk Management (Continued)

### (b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The major classes of financial assets of the Group are cash and cash equivalent and trade and other receivables. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collaterals where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least 'A' rating by external credit rating companies.

The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Credit exposure to individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the Group level by the management.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position, except as follows:

	COMPANY	
	2025 RM	2024 RM
Corporate guarantee provided to banks on certain subsidiary corporations' borrowings	96,468,000	90,818,000

The trade receivables of the Group comprise 3 debtors (2024: 3 debtors) that individually represented 6% - 10% (2024: 10% - 22%) of total trade receivables.

#### *Trade receivables*

The Group applies SFRS(I) 9 simplified model of recognising lifetime expected credit for all trade receivables.

In measuring the ECL, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and different business segment.

In calculating the ECL, the Group considers the historical information and loss experience for each category of customers and/or counterparties and adjusts to reflect current and forward-looking information affecting the customer's ability to settle the receivables. However, given the short period exposed to credit risk, the impact of these forward-looking information has not been considered significant within the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 31. Financial Risk Management (Continued)

### (b) Credit risk (continued)

#### Trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Group. The Group considers a financial asset as in default if the counterparty fails to make contractual payment within 150 days when they fall due and has shown indicators of financial difficulty and writes off the financial asset when the Group has exhausted all means to retrieve the sum from the customers and/or counterparties. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2025 and 2024 is as follows. No expected loss allowance are recognised as the Group do not expect any credit losses from its trade receivables which are all within expected payment period.

	TRADE RECEIVABLES DAYS PAST DUE							TOTAL RM
	CURRENT	1 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	MORE THAN 150 DAYS	
	RM	RM	RM	RM	RM	RM	RM	
<b>Group</b>								
<b>2025</b>								
Trade receivables	15,449,503	920,781	106,181	34,593	12,252	3,331	118,377	16,645,018
<b>2024</b>								
Trade receivables	23,786,423	140,802	2,069	15,946	9,421	489	16,879	23,972,029

Cash and cash equivalents are subject to immaterial credit loss.

#### Finance lease receivables

Finance lease receivables of RM444,077 (2024: RM768,099) are subject to immaterial credit loss as the Group entered into lease arrangements with reputable company with high credit ratings and there is no history of default.

#### Non-trade amount due from subsidiary corporations

The Group applies SFRS(I) 9 general model for measuring expected credit losses for its non-trade receivables from its subsidiary corporations.

The Group uses the 12-month expected credit losses approach to assess for impairment for the remaining outstanding amount. The assessment reflects a low credit risk exposure and there is no indication that the outstanding amount is not recoverable.

#### Financial guarantee contracts

The Company has issued financial guarantees to banks for borrowings of its subsidiary corporations. These guarantees are subject to the impairment requirements of SFRS(I) 9. The Company has assessed that its subsidiary corporations have strong financial capacity to meet the contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees.

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For the financial year ended 31 March 2025

## 31. Financial Risk Management (Continued)

### (c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At the reporting date, assets held by the Group for managing liquidity risk included cash and cash equivalents as disclosed in Note 12 to the financial statements.

Management monitors rolling forecasts of the liquidity reserve (comprises undrawn borrowing facility and cash and cash equivalents of the Group) on the basis of expected cash flow. This is generally carried out in accordance with the practice and limits set by the Board of Directors. These limits vary by location to take into account the liquidity of the market in which the entity operates.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS
	RM	RM	RM
<b>Group</b>			
<b>At 31 March 2025</b>			
Trade and other payables	15,144,757	-	-
Borrowings	21,644,699	43,158,125	30,922,740
Lease liabilities	6,288,520	19,219,993	11,054,983
	<b>43,077,976</b>	<b>62,378,118</b>	<b>41,977,723</b>
<b>At 31 March 2024</b>			
Trade and other payables	30,431,647	-	-
Borrowings	22,341,188	35,603,447	29,516,887
Lease liabilities	5,697,520	16,761,229	10,628,876
	<b>58,470,355</b>	<b>52,364,676</b>	<b>40,145,763</b>
<b>Company</b>			
<b>At 31 March 2025</b>			
Trade and other payables	320,054	-	-
Financial guarantee	96,468,000	-	-
	<b>96,788,054</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2024</b>			
Trade and other payables	355,914	-	-
Borrowings	1,535,600	-	-
Financial guarantee	90,818,000	-	-
	<b>92,709,514</b>	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 31. Financial Risk Management (Continued)

### (d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

Management monitors capital based on gearing ratio and the Board of Directors monitors the Group's equity ratio on a periodic basis. The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

	GROUP		COMPANY	
	2025	2024	2025	2024
	RM	RM	RM	RM
Net debt	93,547,843	113,784,761	(297,635)	1,676,866
Total equity	62,312,924	53,077,518	28,088,915	26,949,369
Total capital	155,860,767	166,862,279	27,791,280	28,626,235
Gearing ratio	60%	68%	N/M	6%

\* N/M: Not meaningful

The Group and the Company is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2025 and 2024 respectively.

### (e) Fair value measurements

The table below presents assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Fair value measurement disclosure of financial assets that are recognised or measured at fair value, can be found, Note 16 to the financial statements.

There were no transfers between the levels of fair value measurements during the financial year.

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For the financial year ended 31 March 2025

## 31. Financial Risk Management (Continued)

(e) Fair value measurements (continued)

	LEVEL 3	
	2025	2024
	RM	RM
<b>Group</b>		
<i>Financial assets, at FVPL</i>		
Call options – Hanamaru Auto Trading (Malaysia) Sdn. Bhd.	177,560	177,560

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. These investments are classified as Level 2 and comprise debt investments and derivative financial instruments. In infrequent circumstances, where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The following table presents the changes in Level 3 instruments:

	CALL OPTIONS – HANAMARU AUTO TRADING (MALAYSIA) SDN. BHD.	
	2025	2024
	RM	RM
<b>Group</b>		
Beginning of financial year	177,560	566,320
Fair value loss recognised in profit or loss	–	(388,760)
End of financial year	177,560	177,560

*Valuation techniques and inputs used in Level 3 fair value measurements*

DESCRIPTION	VALUATION TECHNIQUES	UNOBSERVABLE INPUTS	RANGE OF UNOBSERVABLE INPUTS	
			2025	2024
			%	%
Call options – Hanamaru Auto Trading (Malaysia) Sdn. Bhd.	Binomial Method	Risk-free rate	3.81	3.70 – 4.10
		Volatility rate	51.68	31.53 – 35.65

*Relationship of unobservable inputs to fair value*

An increase/decrease in risk-free rate and volatility rate would result in an increase/decrease in fair value of the asset.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 31. Financial Risk Management (Continued)

- (f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	GROUP RM	COMPANY RM
<b>31 March 2025</b>		
Financial assets at fair value through profit or loss	177,560	-
Financial assets at amortised cost	40,402,492	1,326,064
Financial liabilities at amortised cost	112,229,229	320,054
<b>31 March 2024</b>		
Financial assets at fair value through profit or loss	177,560	-
Financial assets at amortised cost	43,234,411	1,760,853
Financial liabilities at amortised cost	126,737,065	1,891,514

## 32. Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

- (a) Sales and purchases of goods and services

	GROUP	
	2025 RM	2024 RM
Event service expenses	-	86,436

Related party comprise mainly companies which are controlled by the Group's key management personnel, directors and their close family members.

- (b) Key management personnel compensation

The remuneration of directors and other members of key management during the financial year are as follows:

	GROUP	
	2025 RM	2024 RM
Wages and salaries	4,361,320	3,812,134
Directors' fees	513,000	653,945
Employer's contribution to defined contribution plan	291,821	249,903
Other short-term benefits	8,870	8,110
	5,175,011	4,724,092
Comprised amounts paid to:		
Directors of the Company	2,845,119	2,318,588

The wages and salaries disclosed above included RM nil (2024: RM121,044) of bonus payable which were unpaid as at year end and are included in other payables.



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For the financial year ended 31 March 2025

## 33. Segment Information

The Group's chief operating decision-maker ("**CODM**") comprises of the directors and the heads of each business within the operating segment. Management has determined the operating segments based on the reports reviewed by the CODM that are used to make strategic decisions, allocate resources and assess performance.

As at 31 March 2025 and 2024, the Group has three reportable segments, which is manufacturing business, dealership business and other. This is based on the Group's internal organisation, management structure and the primary way in which the Board of Directors is provided with the financial information.

The three reportable segments are:-

(a) *Manufacturing business*

Manufacturing business refers to the Group's manufacturing and sales of NVH components and other non-NVH components.

(b) *Dealership business*

(i) *Automobile dealership*

The revenue of the Group earns from this business segment are mainly from its sales of automobiles, incentive granted and handling fees.

(ii) *Repairs and service*

The revenue of the Group earns from this business segment are mainly from the fees or charges for after-sales automobile services and sales of automobile parts and accessories.

(c) *Other*

Other included investment holding.

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 33. Segment Information (Continued)

The segment information provided to the CODM for the reportable segments are as follows:

	MANUFACTURING BUSINESS	DEALERSHIP BUSINESS	OTHER	TOTAL
	RM	RM	RM	RM
<b>2025</b>				
<b>Sales</b>				
Total segment sales, representing sales to external parties	72,612,511	320,012,826	-	392,625,337
<b>Expenses</b>				
Purchase of inventories	(31,074,675)	(273,172,370)	-	(304,247,045)
Employee compensation	(9,429,606)	(8,173,795)	(216,339)	(17,819,740)
<b>Adjusted EBITDA</b>	13,087,218	15,584,974	(1,551,294)	27,120,898
Depreciation of property, plant and equipment	4,059,663	1,691,806	395	5,751,864
Depreciation of right-of-use assets	1,110,008	4,953,447	69,365	6,132,820
Finance expenses	2,436,276	3,033,466	67,363	5,537,105
Interest income	(151,618)	(124,563)	(72,673)	(348,854)
Share of profit from investment in an associated company	-	-	(51,795)	(51,795)
<b>Segment assets</b>	89,393,774	87,599,109	3,109,705	180,102,588
Segment assets includes:				
Additions to property, plant and equipment	9,715,813	2,743,151	2,450	12,461,414
Additions to right-of-use assets	494,500	7,831,384	340,905	8,666,789
Investment in an associated company	-	-	1,015,698	1,015,698
<b>Segment liabilities</b>	7,477,096	8,842,900	450,984	16,770,980

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For the financial year ended 31 March 2025

## 33. Segment Information (Continued)

The segment information provided to the CODM for the reportable segments are as follows: (continued)

	MANUFACTURING BUSINESS RM	DEALERSHIP BUSINESS RM	OTHER RM	TOTAL RM
<b>2024</b>				
<b>Sales</b>				
Total segment sales, representing sales to external parties	80,530,260	378,111,658	–	458,641,918
<b>Expenses</b>				
Purchase of inventories	(43,166,068)	(346,414,042)	–	(389,580,110)
Employee compensation	(11,186,355)	(8,138,443)	(22,324)	(19,347,122)
<b>Adjusted EBITDA</b>	18,019,489	13,737,044	(2,197,176)	29,559,357
Depreciation of property, plant and equipment	3,340,755	1,543,745	314	4,884,814
Depreciation of right-of-use assets	858,126	4,705,208	–	5,563,334
Amortisation of intangible assets	–	276,212	–	276,212
Finance expenses	1,571,951	2,852,116	105,612	4,529,679
Interest income	(71,090)	(160,961)	(16,403)	(248,454)
Share of profit from investment in an associated company	–	–	(28,497)	(28,497)
<b>Segment assets</b>	94,300,579	89,636,592	2,364,017	186,301,188
Segment assets includes:				
Additions to property, plant and equipment	7,777,447	742,510	3,135	8,523,092
Additions to right-of-use assets	20,466,933	5,865,788	–	26,332,721
Investment in an associated company	–	–	963,903	963,903
<b>Segment liabilities</b>	15,457,303	17,371,717	408,476	33,237,496

The revenue from external parties reported to the CODM is measured in a manner consistent with that in the statement of comprehensive income.

The CODM assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation (“**Adjusted EBITDA**”).

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 33. Segment Information (Continued)

### (a) Reconciliation

#### (i) Segment profits

A reconciliation of adjusted EBITDA to profit before income tax is as follows:

	2025 RM	2024 RM
Adjusted EBITDA for reportable segments	28,672,192	31,756,533
Adjusted LBITDA for other segments	(1,551,294)	(2,197,176)
Amortisation of intangible assets	–	(276,212)
Depreciation of property, plant and equipment	(5,751,864)	(4,884,814)
Depreciation of right-of-use assets	(6,132,820)	(5,563,334)
Finance expenses	(5,537,105)	(4,529,679)
Interest income	348,854	248,454
Profit before income tax	10,047,963	14,553,772

#### (ii) Segment assets

The amounts reported to the CODM with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than tax recoverable.

Segment assets are reconciled to total assets as follows:

	2025 RM	2024 RM
Segment assets for reportable segments	176,992,883	183,937,171
Other segments assets	3,109,705	2,364,017
Unallocated:		
- Tax recoverable	743,519	792,248
	180,846,107	187,093,436

# 122 NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

## 33. Segment Information (Continued)

### (a) Reconciliation (continued)

#### (iii) Segment liabilities

The amounts provided to the CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than current income tax liabilities, deferred tax liabilities and borrowings.

Segment liabilities are reconciled to total liabilities as follows:

	2025	2024
	RM	RM
Segment liabilities for reportable segments	16,319,996	32,829,020
Other segment liabilities	450,984	408,476
Unallocated:		
- Current income tax liabilities	121,675	647,161
- Borrowings	65,884,373	67,910,676
- Lease liabilities	31,200,099	28,394,742
- Deferred income tax liabilities	4,556,056	3,825,843
	118,533,183	134,015,918

### (b) Revenue from major products and services

Revenue from external customers are derived mainly from the manufacturing business and dealership business. The breakdown of the revenue from respective segment is as follows:

	2025	2024
	RM	RM
<b>Manufacturing</b>		
Sales of NVH components and other non-NVH components	72,612,511	80,530,260
<b>Dealership</b>		
Sales of automobiles	288,151,592	349,980,856
After-sales automobile services	23,595,469	21,933,010
Incentives received from distributors	5,939,683	3,295,924
Handling fees	1,289,877	1,780,572
Agency fee income	1,036,205	1,121,296
	320,012,826	378,111,658
	392,625,337	458,641,918

Revenue of RM21,858,000 (2024: RM20,996,088) are derived from a single external customer. These revenues are attributable to the manufacturing business segment.

### (c) Geographical information

No geographical information had been prepared as the Group's businesses are in Malaysia.

# NOTES TO THE FINANCIAL STATEMENTS

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## 34. Changes in Accounting Policies

As a result of the adoption of the amendments to SFRS(I) 1-1 *Presentation of Financial Statements*, the Group changed its accounting policy for the classification of borrowings as disclosed in Note 2.17 to the financial statements.

This new policy did not result in a change in the classification of the Group's borrowings. The Group did not make retrospective adjustment as a result of adopting the amendments to SFRS(I) 1-1.

## 35. New or Revised Accounting Standards and Interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published and are relevant for the accounting periods beginning on or after 1 April 2025 or later periods and which the Group has not early adopted:

- (a) **Amendments to SFRS(I) 1-21 - Lack of Exchangeability** (effective for annual periods beginning on or after 1 January 2025)

SFRS(I) 1-21 is amended to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, SFRS(I) 1-21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

- (b) **Amendments to SFRS(I) 9 and SFRS(I) 7 - Amendments to the Classification and Measurement of Financial Instruments** (effective for annual reporting periods beginning on or after 1 January 2026)

SFRS(I) 9 and SFRS(I) 7 are amended to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- (c) **SFRS(I) 18 - Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

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For the financial year ended 31 March 2025

## 35. New or Revised Accounting Standards and Interpretations (Continued)

- (c) **SFRS(I) 18 - Presentation and Disclosure in Financial Statements** (effective for annual reporting periods beginning on or after 1 January 2027) (continued)

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high level preliminary assessment performed, the following potential impacts have been identified:

- (i) Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
- Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) – net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
  - SFRS(I) 18 has specific requirements on the category in which derivative gains or losses are recognised – which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.
- (ii) The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation. In addition, since goodwill will be required to be separately presented in the statement of financial position, the Group will disaggregate goodwill and other intangible assets and present them separately in the statement of financial position.
- (iii) The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
- management-defined performance measures;
  - a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  - for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.
- (iv) From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with SFRS(I) 18.



# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2025

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## 35. New or Revised Accounting Standards and Interpretations (Continued)

- (d) **SFRS(I) 19 - Subsidiaries without Public Accountability: Disclosures** (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 19 allows for certain eligible subsidiary corporations of parent entities that report under SFRS(I) Accounting Standards to apply reduced disclosure requirements. This new standard works alongside other SFRS(I). An eligible subsidiary corporation applies the requirements in other SFRS(I) except for the disclosure requirements; and it applies instead the reduced disclosure requirements in SFRS(I) 19.

SFRS(I) 19 is a voluntary standard for eligible subsidiary corporation. A subsidiary corporation is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with SFRS(I) Accounting Standards.

The Group does not expect this standard to have an impact on its operations or financial statements.

## 36. Authorisation of Financial Statements

These financial statements were authorised for issued in accordance with a resolution of the Board of Directors of the Company on 3 July 2025.

# 126 STATISTIC OF SHAREHOLDING

As at 16 June 2025

## Share Capital

Issued and fully paid up capital	:	S\$12,627,235.03
Number of issued shares	:	119,523,315
Number of issued shares (excluding treasury shares and subsidiary holdings)	:	119,523,315
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
Number of treasury shares	:	Nil
Number of subsidiary holdings	:	Nil

## Distribution of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	29	27.36	22,000	0.02
1,001 - 10,000	39	36.79	163,500	0.14
10,001 - 1,000,000	31	29.25	4,594,222	3.84
1,000,001 AND ABOVE	7	6.60	114,743,593	96.00
<b>TOTAL</b>	<b>106</b>	<b>100.00</b>	<b>119,523,315</b>	<b>100.00</b>

## Substantial Shareholders

(as recorded in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%
JCWW Sdn. Bhd. <sup>(1)</sup>	61,232,497	51.23	–	–
Wong Cheong Chee <sup>(1)</sup>	205,000	0.17	61,232,497	51.23
Lee Soh Hong <sup>(1)</sup>	–	–	61,437,497	51.40
Crimson Cloud Sdn. Bhd. <sup>(2)</sup>	11,462,353	9.59	–	–
Abdul Razak Bin Montel <sup>(2)</sup>	–	–	11,462,353	9.59
Lee Khoon Chuan <sup>(3)</sup>	10,594,985	8.86	–	–

### Notes:

- (1) Mr Wong Cheong Chee (“**Mr Wong**”) and his spouse, Mdm Lee Soh Hong (“**Mdm Lee**”) collectively own 70% of the issued share capital of JCWW Sdn. Bhd. (“**JCWW**”) and are deemed to be interested in the 61,232,497 shares held by JCWW by virtue of Section 4 of the SFA. JCWW is a company incorporated in Malaysia and is our Controlling Shareholder. Mdm Lee is also deemed to be interested in the 205,000 shares held by Mr Wong. All of their shares are held under Philip Securities Pte. Ltd. and OCBC Securities Private Limited.
- (2) Crimson Cloud Sdn. Bhd. (“**Crimson**”) is a company incorporated in Malaysia that is wholly-owned by our Executive Officer, Mr Abdul Razak Bin Montel. Mr Abdul Razak Bin Montel is deemed to be interested in the shares held by Crimson by virtue of his controlling interest in Crimson. All of their shares are held under Philip Securities Pte. Ltd.
- (3) Mr Lee Khoon Chuan is the nephew of Mdm Lee. All of his shares are held under Philip Securities Pte. Ltd.

# STATISTIC OF SHAREHOLDING

As at 16 June 2025

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## Twenty Largest Shareholders

NO.	NAME OF SHAREHOLDERS	NUMBER OF SHARES	%
1.	PHILLIP SECURITIES PTE LTD	91,286,661	76.38
2.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	11,584,615	9.69
3.	ANG KIM HAA	3,514,906	2.94
4.	NG BEE ENG	3,514,906	2.94
5.	BADARIYAH BINTI HUSSEIN	1,774,254	1.48
6.	DBS NOMINEES (PRIVATE) LIMITED	1,587,100	1.33
7.	ONG HOCK SENG	1,481,151	1.24
8.	SEAW WEI TAT	543,500	0.45
9.	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	453,500	0.38
10.	KHONG TUCK WENG	434,000	0.36
11.	LEE CHOON LAN	434,000	0.36
12.	OCBC SECURITIES PRIVATE LIMITED	405,000	0.34
13.	AHMAD IZZUDDIN BIN MD. ISA	338,722	0.28
14.	NG SOON HOCK (HUANG SHUNFU)	203,100	0.17
15.	TAN ENG HONG	170,000	0.14
16.	TAN WEY LING	169,300	0.14
17.	UOB KAY HIAN PRIVATE LIMITED	167,700	0.14
18.	TIGER BROKERS (SINGAPORE) PTE. LTD.	155,900	0.13
19.	LEONG KOK FAI	130,000	0.11
20.	YEO HUA MOK	110,000	0.09
<b>Total:</b>		<b>118,458,315</b>	<b>99.09</b>

MEGROUP LTD.

## Percentage of Shareholding Held in Public's Hands

Based on the information made available to the Company as at 16 June 2025, approximately 26.42% of the Company's issued shares (excluding treasury shares and subsidiary holdings) were held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

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NOTICE OF  
ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Seventh Annual General Meeting (“**AGM**”) of MeGroup Ltd. (the “**Company**”) will be convened and held at RNN Conference Centre, 143 Cecil Street, GB Building, #11-03, Singapore 069542 on Monday, 28 July 2025 at 10.30 a.m. (Singapore Time) to transact the following purposes:

As Ordinary Business

1.

To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2025 together with the Independent Auditor’s Report thereon.

Resolution 1
2.

To re-elect Mr Benjamin Choo Chih Chien as a Director, retiring pursuant to Regulation 94 of the Company’s Constitution.  
[See Explanatory Note (i)]

Resolution 2
3.

To re-elect Mr Chee Teck Kwong Patrick as a Director, retiring pursuant to Regulation 94 of the Company’s Constitution.  
[See Explanatory Note (ii)]

Resolution 3
4.

To re-elect Mr Wong Sai Hou as a Director, retiring pursuant to Regulation 100 of the Company’s Constitution.  
[See Explanatory Note (iii)]

Resolution 4
5.

To re-elect Mr Wong Sai Keat as a Director, retiring pursuant to Regulation 100 of the Company’s Constitution.  
[See Explanatory Note (iv)]

Resolution 5
6.

To approve the payment of Directors’ fees of S\$150,000 for the financial year ended 31 March 2025. (FY2024: S\$150,000)

Resolution 6
7.

To re-appoint Messrs CLA Global TS Public Accounting Corporation as the Independent Auditor of the Company and to authorise the Directors of the Company to fix its remuneration.

Resolution 7
8.

To transact any other ordinary business which may properly be transacted at an AGM.

As Special Business

To consider and if thought fit, to pass the following resolutions with or without any modifications:

9.

Authority to Allot and Issue Shares

Resolution 8
- That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “**Act**”) and Rule 806 of Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and Constitution of the Company, authority be and is hereby given to the Directors to:

(a)

(i)

allot and issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

(ii)

make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) shall be based on the total number of issued shares (excluding any treasury shares and subsidiary holdings, if any) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new Shares arising from the conversion or exercise of any convertible securities;
- (b) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution provided the options or awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of shares.

Adjustments for (a) and (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force (i) until the conclusion of the next annual general meeting of the Company; or (ii) the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

*[See explanatory Note (v)]*

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## 10. Authority to Allot and Issue Shares under the MeGroup Employee Share Option Scheme

## Resolution 9

That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:

- (a) offer and grant share options ("**Options**") from time to time in accordance with the provisions of the MeGroup Employee Share Option Scheme (the "**MeGroup ESOS**"); and
- (b) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the Options granted under the MeGroup ESOS (including but not limited to allotment and issuance of Shares in the capital of the Company at any time, whether during the continuance of such authority or thereafter, pursuant to Options made or granted by the Company whether granted during the subsistence of this authority or otherwise),

provided always that the aggregate number of Shares to be issued pursuant to the MeGroup ESOS when aggregated together with Shares issued and/or issuable in respect of all Options granted under the MeGroup ESOS, all other existing share schemes or share plans of the Company for the time being shall not exceed fifteen per centum (15%) of the total number of issued Shares of the Company (excluding treasury Shares and subsidiary holdings, if any) from time to time and that such authority shall unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.

[See Explanatory Note (vi)]

## 11. Authority to Allot and Issue Shares under the MeGroup Performance Share Plan

## Resolution 10

That pursuant to Section 161 of the Act, authority be and is hereby given to the Directors of the Company to:

- (a) offer and grant share awards ("**Awards**") from time to time in accordance with the provisions of the MeGroup Performance Share Plan (the "**MeGroup PSP**"); and
- (b) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the Awards granted under the MeGroup PSP (including but not limited to allotment and issuance of Shares in the capital of the Company at any time, whether during the continuance of such authority or thereafter, pursuant to Award made or granted by the Company whether granted during the subsistence of this authority or otherwise),

provided always that the aggregate number of Shares to be issued pursuant to the MeGroup PSP when aggregated together with Shares issued and/or issuable in respect of all share awards granted under the MeGroup PSP, all other existing share schemes or share plans of the Company for the time being shall not exceed fifteen per centum (15%) of the total number of issued Shares of the Company (excluding treasury Shares and subsidiary holdings, if any) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier.

[See Explanatory Note (vii)]

# NOTICE OF ANNUAL GENERAL MEETING

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## 12. Renewal of Share Buy-Back Mandate

## Resolution 11

That:

- (a) for the purposes of the Act and Part XI of Chapter 8 of the Catalist Rules, the Directors of the Company be authorised and empowered to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (1) on-market purchases through the ready market of the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose (the "**On-Market Share Buy-Back**"); and/or
  - (2) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules (the "**Off-Market Share Buy-Back**");
- and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");
- (b) any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with the Act;
- (c) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
- (1) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (2) the date on which purchases and acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; and
  - (3) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting, whichever is the earliest ("**Relevant Period**");



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(d) In this resolution:

**“Maximum Limit”** means the number of Shares representing ten per centum (10%) of the total issued ordinary share capital of the Company ascertained as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period (as hereafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

**“Maximum Price”** in relation to a Share to be purchased, means the purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

- a) in the case of an On-Market Share Buy-Back, 105% of the Average Closing Price; and
- b) in the case of an Off-Market Share Buy-Back, 120% of the Average Closing Price, where:

**“Average Closing Price”** means the average of the closing market prices of the Shares over the last five (5) Market Days (a **“Market Day”** being a day on which the SGX-ST is open for trading in securities) on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the On-Market Share Buy-Back or, as the case may be, the day of the making of the offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period; and

**“day of the making of the offer”** means the day on which the Company announces its intention to make an Off-Market Share Buy-Back from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Buy-Back; and

- (e) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

[See Explanatory Note (viii)]

By Order of the Board

Yoo Loo Ping  
Company Secretary  
Singapore, 11 July 2025

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## Explanatory Notes:

- (i) Mr Benjamin Choo Chih Chien (“**Mr Benjamin Choo**”) will, upon re-election as a Director of the Company, remains as the Independent Non-Executive Director of the Company, Chairman of the Remuneration Committee, a member of the Nominating Committee and the Audit Committee. The Board considers Mr Benjamin Choo to be independent pursuant to Rule 704(7) of the Catalist Rules. Please refer to Additional Information on Directors Seeking Re-election in the Annual Report for additional information on Mr Benjamin Choo pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.
- (ii) Mr Chee Teck Kwong Patrick (“**Mr Patrick Chee**”) will, upon re-election as a Director of the Company, remains as the Lead Independent Non-Executive Director of the Company, Chairman of the Nominating Committee, a member of the Audit Committee and the Remuneration Committee. The Board considers Mr Patrick Chee to be independent pursuant to Rule 704(7) of the Catalist Rules. Please refer to Additional Information on Directors Seeking Re-election in the Annual Report for additional information on Mr Patrick Chee pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.
- (iii) Mr Wong Sai Hou (“**Mr Jeff Wong**”) will, upon re-election as a Director of the Company, remains as the Executive Director and Chief Executive Officer of the Company. Please refer to Additional Information on Directors Seeking Re-election in the Annual Report for additional information on Mr Jeff Wong pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.
- (iv) Mr Wong Sai Keat (“**Mr William Wong**”) will, upon re-election as a Director of the Company, remains as the Executive Director of the Company. Please refer to Additional Information on Directors Seeking Re-election in the Annual Report for additional information on Mr William Wong pursuant to Rule 720(5) and Appendix 7F of the Catalist Rules.
- (v) The Ordinary Resolution 8 in item 9 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares, and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per centum (50%) may be issued other than on a pro rata basis to existing shareholders of the Company for such purposes as they consider would be in the interest of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of Shares.

- (vi) The Ordinary Resolution 9 in item 10 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted under the MeGroup ESOS and all other share based incentive schemes of the Company up to a number not exceeding in aggregate (for the entire duration of the scheme(s)) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.
- (vii) The Ordinary Resolution 10 in item 11 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to offer and grant Awards under the MeGroup PSP in accordance with the provisions of the MeGroup PSP and to issue from time to time such number of fully paid shares as may be required to be issued pursuant to the vesting of the Awards subject to the maximum number of shares prescribed under the terms and conditions of the MeGroup PSP. The aggregate number of shares which may be issued pursuant to the MeGroup PSP and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the scheme(s)) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

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(viii) The Ordinary Resolution 11 in item 12 above, if passed, will empower the Directors to purchase or otherwise acquire Shares on the terms of the Share Buy-Back Mandate, as set out in Resolution 11 and the Appendix to Shareholders dated 11 July 2025. Please refer to the aforementioned Appendix to Shareholders for further details. The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The amount of financing required and the impact on the Company's financial position cannot be ascertained as at the date of this notice as these will depend on, amongst others, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buy-Back Mandate are set out in the aforementioned Appendix to Shareholders.

## **IMPORTANT NOTICE FOR SHAREHOLDERS:**

The Company's AGM is being convened, and will be held physically at RNN Conference Centre, 143 Cecil Street, GB Building, #11-03, Singapore 069542 on Monday, 28 July 2025 at 10.30 a.m. (Singapore Time). There will be no option for shareholders to participate virtually.

The Notice of AGM, proxy form and the Annual Report 2025 request form ("**Request Form**") have been made available by electronic means via publication on Company's corporate website at the URL <https://me-grp.com/> and on the SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies have also be circulated by post to the shareholders' registered address. The Notice of AGM will also be published in the print edition of The Business Times on 11 July 2025.

The Annual Report 2025 and the Appendix to Shareholders in relation to the Proposed Renewal of the Share Buy-Back Mandate dated 11 July 2025 may be accessed at Company's corporate website at the URL <https://me-grp.com/> and on the SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders who wish to receive a printed copy of the Annual Report 2025 and the Appendix to Shareholders in relation to the Proposed Renewal of the Share Buy-Back Mandate dated 11 July 2025 may do so by completing the Request Form and sending it to the Company by **22 July 2025** through any of the following means:

- (i) via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia); or
- (ii) in hard copy by post or by hand, and lodging the same at c/o In.Corp Corporate Services Pte. Ltd., 36 Robinson Road, #20-01 City House, Singapore 068877

Shareholders should take note of the following arrangements for the AGM:

### **(a) Participation in the AGM**

Shareholders, including CPF and SRS investors, may participate in the AGM by:

- (i) Attending the AGM in person;
- (ii) Submitting questions in relation to any agenda item in this Notice of AGM in advance of, or at the AGM; and/or
- (iii) voting at the AGM by (i) themselves; or (ii) through duly appointed proxy(ies).

# NOTICE OF ANNUAL GENERAL MEETING

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Details of the steps for registration, asking of questions and voting at the AGM by shareholders, are set out in notes (b) to (e) below.

(b) **Register in person to attend the AGM**

Shareholders, including CPF and SRS investors can attend the AGM in person.

To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the event. Please bring along your NRIC/passport to enable the Company to verify your identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Investors who hold shares through a relevant intermediary (as defined in Section 181 of the Companies Act 1967 of Singapore (“Act”)) (“**Relevant Intermediary**”), and who wish to attend the AGM should approach their Relevant Intermediary as soon as possible for the Relevant Intermediary to make the necessary arrangements for their attendance.

(c) **Asking Questions**

Shareholders and investors who have questions in relation to any agenda items in this Notice of AGM can ask questions during the AGM or submit their questions to the Company in advance (“**Advanced Questions**”), by **18 July 2025**, through any of the following means:

- (i) via email to [accounts@mnsb.me-grp.com](mailto:accounts@mnsb.me-grp.com); or
- (ii) in hard copy by sending personally or by post to the Company's Registered Office at 133 Cecil Street, #14-01 Keck Seng Tower, Singapore 069535.

Shareholders and investors must identify themselves when posting questions through email or in hard copy by sending personally or by post, by providing the following details:

- (i) Full Name;
- (ii) Contact Telephone Number;
- (iii) Email Address; and
- (iv) The manner in which you hold shares (if you hold shares directly, please provide your CDP account number; otherwise, please state if you hold your shares through CPF or SRS, or are a relevant intermediary shareholder).

The Company will address all substantial and relevant Advanced Questions through announcement on the Company's corporate website at the URL <https://me-grp.com/> and on the SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements> by 23 July 2025, 10.30 a.m.

Follow up questions which are submitted after 18 July 2025 will be consolidated and addressed either before the AGM via an announcement on SGXNet and the Company's website or at the AGM. The Company will publish the minutes of the AGM, which will include responses from the Board and management of the Company on the substantial and relevant questions received from Shareholders and Investors via an announcement on SGX-ST website and the Company's website within one (1) month after the AGM.

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## (d) Voting at the AGM

*For CPF/SRS investors, please refer to note (e) for the procedures to vote at the AGM.*

Shareholders will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf.

A shareholder (other than Relevant Intermediary) of the Company entitled to attend and vote at the AGM is entitled to appoint to appoint one (1) or two (2) proxies to attend and vote in his/her stead. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

A shareholder who is a Relevant Intermediary entitled to attend the AGM and vote is entitled to appoint more than one (1) proxy to attend and vote instead of the shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one (1) proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed.

A person who holds shares in the Company through Relevant Intermediary (other than CPF and SRS investors), and who wishes to participate in the AGM should contact the Relevant Intermediary through which he/she holds such shares as soon as possible in order to make the necessary arrangements for them to participate in the AGM.

Duly completed Proxy Forms, together with the power of attorney or other authority under which it is signed (if applicable) or a notarially certified copy thereof, must be submitted through any of the following means not later than **25 July 2025, 10.30 a.m.** (being no later than 72 hours before the time appointed for holding the AGM) and in default the proxy form shall not be treated as valid:

- a) if sent personally or by post, be lodged at c/o In.Corp Corporate Services Pte. Ltd., 36 Robinson Road, #20-01 City House, Singapore 068877; or
- b) if submitted by email, be received by the Company at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

The Proxy Form has been made available on Company's corporate website at the URL <https://me-grp.com/> and on the SGX-ST website at the URL <https://www.sgx.com/securities/company-announcements>.

Please refer to the detailed instructions set out in the Proxy Form.

## (e) Voting at the AGM by CPF/SRS Investors

CPF/SRS investors who wish to vote at the AGM may attend the AGM in person physically, or may appoint the Chairman of the Meeting as their proxy to vote. The CPF/SRS investors who wish to appoint the Chairman of the Meeting as their proxy should not make use of the Proxy Form. They should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **17 July 2025, 10.30 a.m.**, being at least seven (7) working days before the AGM, in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman to vote on their behalf.

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## Personal Data Privacy:

“Personal data” has the same meaning ascribed to it in the Personal Data Protection Act 2012 of Singapore, which includes name, address, NRIC/passport number of a Member and proxy(ies) and/or representative(s) of a Member.

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, or submitting any question prior to the AGM in accordance with this Notice of AGM, a Member (i) consents to the collection, use and disclosure of the Member’s personal data by the Company (or its agents or, service providers) for the purposes of (a) processing, administration and analysis by the Company (or its agents or, service providers) of Proxy Forms/instruments appointing proxy(ies) and/or representative(s) for the AGM (including any adjournment thereof); (b) addressing substantial and relevant questions from Members received before the AGM and if necessary, following up with the relevant Members in relation to such questions; and (c) preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and (d) in order for the Company (or its agents or, service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”); (ii) warrants that where the Member discloses the personal data of the Member’s proxy(ies) and/or representative(s) to the Company (or its agents or, service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or, service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to indemnify the Company in respect of any penalties, liabilities, claims, losses and damages as a result of the Member’s breach of warranty.

In the case of a Member who is a Relevant Intermediary, by submitting the consolidated list of participants, such Member represents and warrants that it has obtained the prior consent of the individuals for the collection, use and disclosure by the Company (or its agents or, service providers) of the personal data of such individuals by the Company (or its agents or, service providers) for any of the Purposes.

# 138 ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Benjamin Choo Chih Chien (“**Mr Benjamin Choo**”) and Mr Chee Teck Kwong Patrick (“**Mr Patrick Chee**”), both retiring pursuant to Regulation 94 of the Company’s Constitution, and Mr Wong Sai Hou (“**Mr Jeff Wong**”) and Mr Wong Sai Keat (“**Mr William Wong**”), both retiring pursuant to Regulation 100 of the Company’s Constitution (collectively the “**Retiring Directors**”), will be seeking re-election at the forthcoming annual general meeting (“**AGM**”) of the Company scheduled to be held on Monday, 28 July 2025 under Resolutions 2, 3, 4 and 5 as set out in the Notice of AGM dated 11 July 2025.

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Trading Securities Limited (“**SGX-ST**”), the information relating to the Retiring Directors set out in Appendix 7F as required under the Catalist Rules of the SGX-ST are disclosed below:

NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
Date of Appointment	26 September 2018	26 September 2018	30 August 2024	30 August 2024
Date of last re-appointment (if applicable)	28 July 2022	28 July 2023	–	–
Age	48	70	48	41
Country of principal residence	Singapore	Singapore	Malaysia	Malaysia
The Board’s comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process).	After assessing Mr Benjamin Choo’s expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the Nominating Committee and the Board is satisfied that Mr Benjamin Choo will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group, and has recommended that Mr Benjamin Choo be re-elected as Director of the Company.	After assessing Mr Patrick Chee’s expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the Nominating Committee and the Board is satisfied that Mr Patrick Chee will continue to contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group, and has recommended that Mr Patrick Chee be re-elected as Director of the Company.	After assessing Mr Jeff Wong’s expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the Nominating Committee and the Board is satisfied that Mr Jeff Wong will contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group, and has recommended that Mr Jeff Wong be re-elected as Director of the Company.	After assessing Mr William Wong’s expertise, experience and overall contribution, as well as the overall size, composition and diversity of skillsets of the Board, the Nominating Committee and the Board is satisfied that Mr William Wong will contribute to the Board, and to the combination of knowledge, skills, experience and diversity required on the Board in order to serve the needs and plans of the Company and the Group, and has recommended that Mr William Wong be re-elected as Director of the Company.



# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive	Executive. As the Chief Executive Officer, Mr Jeff Wong is responsible for overseeing and the growth and setting expansion strategy of the Group's Manufacturing Business and the Dealership Business. Mr Jeff Wong has also been instrumental in the development of the Group's Dealership Business. As the Head of Dealership, Mr Jeff Wong also oversees the operation and management of the Group's dealerships, in addition to his role as Head, Group Expansion & Strategy.	Executive. Mr William Wong is responsible for overseeing the engineering function of the Group's Manufacturing Business, and is responsible for the Group's product development department to ensure the products meet the requirements of the customers as well as developing new applications. Mr William Wong also works closely with our Head of Sales and Manufacturing, to maintain and grow the Group's strategic relationships with the customers, principals and suppliers.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	<ul style="list-style-type: none"> <li>Independent Non-Executive Director</li> <li>Chairman of Remuneration Committee</li> <li>Member of Nominating Committee</li> <li>Member of Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Lead Independent Non-Executive Director</li> <li>Chairman of Nominating Committee</li> <li>Member of Audit Committee</li> <li>Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director and Chief Executive Officer</li> <li>Head of Group Expansion &amp; Strategy</li> <li>Head of Dealership of the Group</li> </ul>	<ul style="list-style-type: none"> <li>Executive Director</li> <li>Head of Engineering and R&amp;D, Manufacturing</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
Professional qualifications	<ul style="list-style-type: none"> <li>Bachelor of Laws from National University of Singapore</li> <li>Advocate and solicitor of the Supreme Court of Singapore</li> <li>Member of the Inquiry Panel constituted under the Legal Profession Act</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor of Law (Hons) Degree from the University of Singapore</li> <li>Advocate and Solicitor of the Supreme Court of Singapore</li> <li>Solicitor of the Senior Courts of England and Wales</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's Degree in Engineering from the University of Melbourne</li> </ul>	<ul style="list-style-type: none"> <li>Bachelor's Degree in Computer Science from the University of Melbourne</li> </ul>
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> <li>2018 to Current - Genesis Law Corporation – Director</li> <li>2012 to 2018 - Edmond Pereira &amp; Partners (now corporatised as Edmond Pereira Law Corporation) – Head of Corporate and Transactions practice</li> </ul>	<ul style="list-style-type: none"> <li>3 January 2025 to Current - Tito Isaac &amp; Co LLP – Senior Consultant</li> <li>2017 to 2024 - Withers KhattarWong LLP - Senior Consultant</li> <li>2007 to 2017 - KhattarWong LLP - Senior Consultant</li> </ul>	Mr Jeff Wong has been with the Group since 1999, and joined as an executive in Manufacturing Business and is currently the Executive Director and Chief Executive Officer of the Company, and the Head of Group Expansion & Strategy, and the Head of Dealership of the Group.	Mr William Wong has been with the Group since 2004, and joined as a programme engineer, and is currently the Executive Director of the Company, and the Head of Engineering and R&D, Manufacturing of the Group.
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil	Yes. 4,235,864 ordinary shares direct interest in MeGroup Ltd.	Yes. 222,400 ordinary shares direct interest in MeGroup Ltd.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil	<p>Mr Jeff Wong is the son of (1) Mr Wong Cheong Chee, the Substantial Shareholder of the Company; and (2) Mdm Lee Soh Hong, the Substantial Shareholder of the Company.</p> <p>Mr Jeff Wong is the brother of (1) Ms Wong Keat Yee, Executive Chairwoman and Head of Operations, Manufacturing; and (2) Mr William Wong, Executive Director and Head of Engineering and R&amp;D, Manufacturing of the Group.</p> <p>Mr Jeff Wong is also the cousin of Mr Lee Khoon Chuan, the Substantial Shareholder of the Company.</p>	<p>Mr William Wong is the son of (1) Mr Wong Cheong Chee, the Substantial Shareholder of the Company; and (2) Mdm Lee Soh Hong, the Substantial Shareholder of the Company.</p> <p>Mr William Wong is the brother of (1) Ms Wong Keat Yee, Executive Chairwoman and Head of Operations, Manufacturing; and (2) Mr Jeff Wong, Executive Director and Chief Executive Officer, Head of Group Expansion &amp; Strategy and Head of Dealership of the Group.</p> <p>Mr William Wong is also the cousin of Mr Lee Khoon Chuan, the Substantial Shareholder of the Company.</p>
Conflict of interest (including any competing business)	Nil	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
<b>Other Principal Commitments including Directorships</b>				
Past (for the last 5 years)	<ul style="list-style-type: none"> <li>Trendzon Holdings Group Limited (formerly known as Pipeline Engineering Holdings Limited)</li> </ul>	<ul style="list-style-type: none"> <li>Hai Leck Holdings Limited</li> <li>China International Holdings Limited</li> <li>OneApex Limited</li> <li>Withers KhattarWong LLP – Senior Consultant</li> </ul>	Nil	Nil
Present	<ul style="list-style-type: none"> <li>Genesis Law Corporation - Director</li> <li>PT Property Gamma Investment Pte. Ltd. - Director</li> <li>Bloom Technologies Pte. Ltd. - Director</li> <li>Talent Beacon Community Care Limited - Director</li> <li>Global Beacon Pte. Ltd. - Director</li> <li>Bongloy Holdings Pte. Ltd. - Director</li> <li>Tasmine Ventures Pte. Limited - Director</li> <li>Overseas Education Limited – Independent Director</li> <li>Vantage Corp - Independent Director</li> </ul>	<ul style="list-style-type: none"> <li>QAF Limited – Independent Director</li> <li>Sheng Siong Group Ltd. – Lead Independent Director</li> <li>Noel Gifts International Ltd. – Independent Director</li> <li>Tito Isaac &amp; Co LLP – Senior Consultant</li> </ul>	<ul style="list-style-type: none"> <li>JCWW Holdings Pte. Ltd. – Director</li> <li>JCWW Sdn. Bhd. - Director</li> <li>Menang Nusantara Sdn. Bhd. - Director</li> <li>Menang Nusantara Holdings Sdn. Bhd. - Director</li> <li>Menang Nusantara Auto Sdn. Bhd. - Director</li> <li>MJN Motors Sdn. Bhd. - Director</li> <li>MJN Auto Sdn. Bhd. - Director</li> <li>MJN Automart Sdn. Bhd. - Director</li> <li>MN Automart Sdn. Bhd. - Director</li> <li>MN Otomart Sdn. Bhd. - Director</li> <li>MN Wheels Sdn. Bhd. - Director</li> <li>JTW General Sdn. Bhd. - Director</li> </ul>	<ul style="list-style-type: none"> <li>MeAG Pte. Ltd. - Director</li> <li>MeMG Pte. Ltd. - Director</li> <li>Menang Nusantara Sdn. Bhd. - Director</li> <li>MN Otomobil Sdn. Bhd. - Director</li> <li>Hanamaru Auto Trading (Malaysia) Sdn. Bhd. - Director</li> </ul>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
Information required				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

# 144 ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

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NAME OF DIRECTOR	BENJAMIN CHOO CHIH CHIEN	CHEE TECK KWONG PATRICK	WONG SAI HOU	WONG SAI KEAT
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

## Disclosure applicable to the appointment of Director only.

Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer or prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This disclosure is for Director's re-appointment.	Not applicable. This disclosure is for Director's re-appointment.	Not applicable. This disclosure is for Director's re-appointment.	Not applicable. This disclosure is for Director's re-appointment.
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MEGROUP LTD.

(Company Registration No.: 201804996H)  
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

- 1. For CPF, or SRS investors who wish to appoint the Chairman of the Meeting as their proxy, they should approach their CPF and/or SRS Approved Nominees to submit their votes at least seven (7) working days before the AGM (i.e., by 17 July 2025, 10.30 a.m.). This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- 2. By submitting an instrument appointing proxy/proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 July 2025.
- 3. Please read the notes to the Proxy Form.

I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC / Passport no.)  
of \_\_\_\_\_ (Address)  
being a member/members\* of MeGroup Ltd. (the “Company”), hereby appoint:

NAME	*NRIC/PASSPORT	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

and/or\*

NAME	*NRIC/PASSPORT	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
ADDRESS			

or failing him/her\*, the Chairman of the Annual General Meeting (“AGM” or the “Meeting”) of the Company as my/our\* proxy/ proxies\* to vote for me/us\* on my/our\* behalf at the AGM of the Company to be held at RNN Conference Centre, 143 Cecil Street, GB Building, #11-03, Singapore 069542 on Monday, 28 July 2025 at 10.30 a.m. (Singapore Time) and at any adjournment thereof. I/We\* direct my/ our\* proxy/proxies\* to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the proxy/proxies\* will vote or abstain from voting at his/her\* discretion.

NO.	ORDINARY RESOLUTIONS RELATING TO:	NO. OF VOTES FOR <sup>(1)</sup>	NO. OF VOTES AGAINST <sup>(1)</sup>	NO. OF VOTES ABSTAIN <sup>(1)</sup>
1	Directors’ Statement and Audited Financial Statements for the financial year ended 31 March 2025.			
2	Re-election of Mr Benjamin Choo Chih Chien as a Director.			
3	Re-election of Mr Chee Teck Kwong Patrick as a Director.			
4	Re-election of Mr Wong Sai Hou as a Director.			
5	Re-election of Mr Wong Sai Keat as a Director.			
6	Approval of Directors’ fees of S\$150,000 for the financial year ended 31 March 2025.			
7	Re-appointment of Messrs CLA Global TS Public Accounting Corporation as the Independent Auditor of the Company.			
8	Authority to Allot and Issue Shares.			
9	Authority to Allot and Issue Shares under the MeGroup Employee Share Option Scheme.			
10	Authority to Allot and Issue Shares under the MeGroup Performance Share Plan.			
11	Renewal of Share Buy-Back Mandate.			

(1) If you wish to exercise all your votes “For”, “Against” or “Abstain”, please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or, Common Seal of Corporate Shareholder

\*Delete where inapplicable

IMPORTANT: Please read the notes overleaf for this Proxy Form.

**Notes:**

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number of shares is inserted, this proxy form will be deemed to relate to all shares held by you.
- (2) A shareholder of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company. Where a shareholder appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
- (3) A shareholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one (1) proxy to attend and vote instead of the shareholder, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such shareholder. Where such shareholder appoints more than one (1) proxy, the appointments shall be invalid unless the shareholder specifies the number of Shares in relation to which each proxy has been appointed. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
- (4) A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
- (5) The instrument appointing proxy/proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (6) Where this instrument appointing proxy/proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
- (7) The instrument appointing proxy/proxies, duly executed, must be submitted through any of the following means not later than **25 July 2025, 10.30 a.m.**, which is not later than 72 hours before the time appointed for holding the AGM:
  - a) if sent personally or by post, be lodged at c/o In.Corp Corporate Services Pte. Ltd., 36 Robinson Road, #20-01 City House, Singapore 068877; or
  - b) if submitted by email, be received by the Company at [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

Shareholders are strongly encouraged to submit their completed proxy forms via email to [shareregistry@incorp.asia](mailto:shareregistry@incorp.asia).

- (8) The Company shall be entitled to reject the instrument appointing proxy/proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointment proxy/proxies lodged if the shareholder being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

**Personal Data Privacy:**

By submitting an instrument appointing proxy/ proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 July 2025.

# CORPORATE INFORMATION

## Board of Directors

### EXECUTIVE:

#### **Wong Keat Yee**

Executive Chairwoman

#### **Wong Sai Hou**

Executive Director and  
Chief Executive Officer

#### **Wong Sai Keat**

Executive Director

### NON-EXECUTIVE:

#### **Chee Teck Kwong Patrick**

Lead Independent  
Non-Executive Director

#### **Benjamin Choo Chih Chien**

Independent  
Non-Executive Director

#### **Edmund Lai Sou Wei**

Independent  
Non-Executive Director

#### **Chong Kwea Seng**

Independent  
Non-Executive Director

## Audit Committee

#### **Edmund Lai Sou Wei**

Chairman

#### **Chee Teck Kwong Patrick**

Member

#### **Benjamin Choo Chih Chien**

Member

#### **Chong Kwea Seng**

Member

## Nominating Committee

#### **Chee Teck Kwong Patrick**

Chairman

#### **Benjamin Choo Chih Chien**

Member

#### **Edmund Lai Sou Wei**

Member

#### **Chong Kwea Seng**

Member

## Remuneration Committee

#### **Benjamin Choo Chih Chien**

Chairman

#### **Chee Teck Kwong Patrick**

Member

#### **Edmund Lai Sou Wei**

Member

#### **Chong Kwea Seng**

Member

## Company Secretary

#### **Yoo Loo Ping**

## Registered Office

133 Cecil Street  
#14-01 Keck Seng Tower  
Singapore 069535

## Share Registrar

#### **In.Corp Corporate**

#### **Services Pte. Ltd.**

36 Robinson Road  
#20-01 City House  
Singapore 068877

## Independent Auditor

#### **CLA Global TS Public**

#### **Accounting Corporation**

80 Robinson Road  
#25-00  
Singapore 068898

## Audit Partner-In-Charge

#### **Hock Xiu Min, Sandy**

(appointed since the financial  
year ended 31 March 2024)

## Continuing Sponsor

#### **UOB Kay Hian Private Limited**

83 Clemenceau Avenue  
#10-01 UE Square  
Singapore 239920

## Principal Bankers

#### **AmBank Islamic Berhad**

#### **HSBC Bank Malaysia Berhad**

#### **Malayan Banking Berhad**

#### **Public Bank Berhad**

#### **The Hongkong and Shanghai**

#### **Banking Corporation Limited**



**MEGROUP LTD.**

Company Registration Number:

201804996H

133 Cecil Street

#14-01 Keck Seng Tower

Singapore 069535

Tel: +603-9076 5361 (Malaysia Office)

Fax: +603-9076 4361 (Malaysia Office)

Email: [admin@mnsb.me-grp.com](mailto:admin@mnsb.me-grp.com)

[www.me-grp.com](http://www.me-grp.com)