

Media Release

## **MeGroup appointed as used car dealer for Honda; sets up “Northern Manufacturing Hub” in Kulim**

- **Appointed by Honda Malaysia to be an authorised used car dealer; to begin operations in January 2022**
- **Sets up “Northern Manufacturing Hub” in Kulim Hi-tech Park for Mazda assembly line and manufacturing line**
- **Solar energy initiative at Main Manufacturing Plant at 90% completion**
- **Begun automation integration of second manufacturing system in the Main Manufacturing Plant**

**Singapore, 11 October 2021** – SGX-Catalist listed **MeGroup Ltd.** (“MeGroup” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce that it has been appointed by Honda Malaysia to be an authorised used car dealer under the Honda Certified Used Car Program (“HCU Program”). Operations for the HCU Program will commence on 1 January 2022 and MeGroup will utilise its existing Honda Cheras Dealership outlet to carry out this pilot program.

To bolster its Manufacturing segment, MeGroup will be setting up a new facility in Kulim Hi-tech Park in Kedah, which will house the existing Mazda assembly line and a new manufacturing line (collectively, the “Northern Manufacturing Hub”). The Group expects construction of the new facility to be completed and operational by first quarter in FY2023. The Northern Manufacturing Hub will fully cater to MeGroup’s customers located in the Northern part of Malaysia. Being closer to the Group’s manufacturing customers in the North will reduce any latent delivery delays from the Main Manufacturing Plant in Selangor.

Back at the Main Manufacturing Plant, the Group previously announced that it has embarked on an energy saving initiative through the use of solar panels. The installation progress to date is approximately 90% complete. Once completed, MeGroup expects to see an immediate cost savings in its overhead expenses with reduced carbon footprint on the environment.

Additionally, the Group completed automation of its first manufacturing line in the Main Manufacturing Plant and is in the process of converting a second manufacturing line.

**Ms Carol Wong, Executive Director of MeGroup Ltd.** commented, “Our manufacturing plants and dealership outlets remained fully operational despite the COVID-19 situation in Malaysia. On a Group level, we have established a COVID-19 special task force to oversee, implement, and monitor COVID-related protocols and measures to safeguard our workplace and the wellbeing of our staff. Everyone has been working tirelessly to ensure that MeGroup continues to provide a safe working environment for our employees and remain resilient.

On the Manufacturing side, through utilisation of renewable energy like solar and improving product quality using automated manufacturing lines, we are able to maximise cost savings through reduced electricity usage and product wastage. Over time, we hope to achieve at least 70% automation in our Main Manufacturing Plant compared with the current 25%.

We are also in the process of setting up our new Northern Manufacturing Hub at Kulim Hi-tech Park which will include our assembly line for Mazda and a manufacturing line. This facility will be particularly important to the Group as it caters to our customers based in Northern part of Malaysia. Given these developments, we believe that our manufacturing business is poised to recover in 2022.”

“In diversifying the Group’s income stream, the Dealership business was recently appointed by Honda Malaysia as an authorised dealer for used cars. This pilot program will add on to our current Dealership’s overall revenue contribution, and we hope to keep growing our used car segment under MeGroup’s Dealership business,” added Ms Wong.

End.

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

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

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

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

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

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