



MEGROUP LTD.

(Company Registration No. 201804996H)
(Incorporated in the Republic of Singapore)

(1) APPOINTMENT AS AUTHORISED PROTON DEALER
(2) USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING
(3) UPDATE ON IMPACT OF BUSINESS PURSUANT TO THE MOVEMENT CONTROL ORDER
IMPOSED BY THE GOVERNMENT OF MALAYSIA

The Board of Directors (the "**Board**") of MeGroup Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the Company's offer document dated 22 October 2018 (the "**Offer Document**") in connection with its initial public offering ("**IPO**") on the Catalist board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

1. APPOINTMENT AS AUTHORISED PROTON DEALER

In line with the Group's expansion plans, the Board is pleased to announce that Proton Edar Sdn. Bhd. ("**Proton**") had, on 27 May 2021, provided its approval in-principle for our Group's operation of an authorised 4S Proton dealership by way of a conditional letter of offer (the "**Offer Letter**") to the Group. When constructed, the dealership will be situated at Telok Panglima Garang, Selangor and will comprise a showroom and a service centre (the "**Proton Dealership**").

The Group had, on 31 May 2021, accepted the Offer Letter.

The Group's appointment is conditional upon the satisfaction of certain conditions, including but not limited to, the provisions of a banker's guarantee of RM400,000 in favour of Proton and the appointment of a full-time chief executive officer for the Proton Dealership.

The Group expects the showroom and service centre operations to commence in the fourth quarter of the 2021 calendar year with body and paint operations commencing in the second quarter of the 2022 calendar year.

The Proton Dealership would bring the total number of dealerships operated by the Group under its dealership business to eleven dealerships under the Proton, Ford, Honda, Hyundai, Mazda, Mitsubishi Motors and Peugeot brands.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proton Dealership, other than through their shareholdings in the Company (if any).

2. USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

The Company anticipates capital expenditure of RM3.24 million (approximately S\$1.04 million based on the exchange rate of RM3.1091:S\$1.00) in connection with the set up and establishment of the Proton Dealership. This will be funded through the use of the balance of IPO proceeds and internally generated funds. The Proton Dealership is not expected to

have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 March 2022.

Following the set up and establishment of the Proton Dealership, the status of the use of IPO proceeds will be as follows:-

Use of proceeds from IPO	Amount allocated (S\$ 'million)	Amount utilised as at 7 June 2021 (S\$ 'million)	Amount utilised upon completion of the works (S\$ 'million)	Amount unutilized upon completion of the works (S\$ 'million)
Business expansion (including organic expansion and mergers and acquisitions)	1.80	1.22 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	1.80	0
General working capital purposes	0.58	0.58 ⁽⁵⁾	0.58	0
Total	2.38	1.80	2.38	0

Notes:

- (1) An amount of S\$0.33 million was utilised for the issued and paid-up capital of MN Automart Sdn Bhd. Please refer to the Company's announcement dated 16 April 2019.
- (2) An amount of S\$0.33 million was utilised for the issued and paid-up capital of MN Otomart Sdn Bhd. Please refer to the Company's announcement dated 8 July 2019.
- (3) An amount of S\$0.33 million was utilised for the issued and paid-up capital of MN Wheels Sdn Bhd. Please refer to the Company's announcement dated 2 January 2020.
- (4) An amount of S\$0.23 million was utilised on 3 May 2021 for capital expenditure in connection with the set up and establishment of the Second Mitsubishi Dealership at Bandar Bukit Raja and conducting certain addition and alteration works to expand the facilities at its existing Mitsubishi Dealership at Kuala Selangor of MN Wheels Sdn Bhd.
- (5) General working capital includes payment to the principals in the dealership business to purchase additional car inventories and to the raw materials suppliers in the manufacturing business.

Following the set up and establishment of the Proton Dealership, the IPO proceeds would have been fully utilised as set out in the table above, in accordance with the intended use as disclosed in the Offer Document.

3. UPDATE ON IMPACT OF BUSINESS PURSUANT TO THE MOVEMENT CONTROL ORDER IMPOSED BY THE GOVERNMENT OF MALAYSIA

The Board additionally wishes to update shareholders on the COVID-19 situation in Malaysia. On 28 May 2021, the Government of Malaysia announced the implementation of a Full Movement Control Order ("FMCO") from the period 1 June 2021 to 14 June 2021 to curb the spread of the COVID-19 infection in Malaysia. For the duration of the FMCO, only essential economic sectors and services will be allowed to operate.

The operations of the Group will be limited during the FMCO period, and this may have a material adverse impact on the Group's financial results in terms of earnings per share and net tangible asset value per share for the financial year ending 31 March 2022. However, at this stage, the Group is unable to quantify nor determine the actual extent of the financial impact of the FMCO on the financial performance of the Group.

The Company will provide further updates on the status of the above matters through SGXNet in accordance with the requirements under the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

BY ORDER OF THE BOARD

Wong Cheong Chee
Executive Chairman and Chief Executive Officer
7 June 2021

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Catalist Rules.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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