



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

**(1) CONDITIONAL APPOINTMENT LETTER IN RESPECT OF A NEW HYUNDAI DEALERSHIP;
(2) INCORPORATION OF A NEW SUBSIDIARY; AND
(3) USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

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. CONDITIONAL LETTER OF AWARD IN RESPECT OF A NEW HYUNDAI DEALERSHIP

In line with the Group's expansion plans, the Board is pleased to announce that Hyundai-Sime Darby Motors Sdn Bhd, the official distributor of Hyundai automobiles in Malaysia ("**Sime Darby**"), had on 11 April 2019 issued a conditional letter of no objection for the Group's application pertaining to a new Hyundai 3S automobile dealership in the township of Setia Alam, Malaysia ("**LOA**"). Under the terms of the LOA, the Group has been granted conditional approval by Sime Darby to operate a 3S automobile dealership for the Hyundai brand of automobiles at Bandar Bukit Raja in Klang, Selangor, Malaysia (the "**New Hyundai Dealership**"). The Group has today accepted the LOA.

Under the LOA, the Group is required to, among others (i) seek Sime Darby's approval for the design, structure and layout plan prior to the commencement of operations of the New Hyundai Dealership; and (ii) secure a banker's guarantee of RM100,000 in favour of Sime Darby as a performance security deposit prior to the commencement of operations of the New Hyundai Dealership.

The Group expects the New Hyundai Dealership to commence operations in the second half of the 2019 calendar year. Upon commencement of operations, the New Hyundai Dealership would bring the total number of dealerships operated by the Group under its dealership business to 7 dealerships under the Honda, Mazda, Peugeot and Hyundai brands.

2. INCORPORATION OF A NEW SUBSIDIARY

The Board also wishes to announce that the Company's wholly-owned subsidiary, Menang Nusantara Holdings Sdn. Bhd., has, in connection with the foregoing, incorporated a wholly-owned subsidiary in Malaysia, MN Automart Sdn. Bhd. ("**MNAM**"), on 15 April 2019 for the purposes of entering into the LOA and to hold New Hyundai Dealership. It is intended that the issued and paid-up capital of MNAM will be increased to RM1.0 million (approximately S\$328,947, based on the exchange rate of RM3.04:S\$1.00) (the "**Subscription**").

3. USE OF PROCEEDS FROM THE IPO

The Subscription will be funded by proceeds from the Group's IPO and 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 2020.

The above utilisation is in line with the intended use of proceeds as set out in the Offer Document.

Upon completion of the Subscription, the status of the use of IPO proceeds will be as follows:-

Use of proceeds from IPO	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)
Business expansion (including organic expansion and mergers and acquisitions)	1,800	329	1,471
General working capital purposes	584	0	584
Total	2,384	329	2,055

The Company will continue to make announcements on the utilisation of the balance of the net proceeds of the IPO as and when such net proceeds are materially disbursed.

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

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
16 April 2019

*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**"), for compliance with the relevant rules of the SGX-ST, this being the Catalist Rules. The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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.

The contact person for the Sponsor is Mr Eric Wong, Director, Investment Banking, Singapore. The contact particulars are 50 Raffles Place #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.