



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

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**(1) CONDITIONAL OFFER LETTER IN RESPECT OF A NEW MITSUBISHI MOTORS  
DEALERSHIP**  
**(2) USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

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The Board of Directors (the "**Board**") of MeGroup Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to (i) 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**"); and (ii) the Company's announcement on 4 December 2019 in respect of the incorporation of a new subsidiary, MN Wheels Sdn. Bhd. ("**MN Wheels**").

**1. CONDITIONAL OFFER LETTER IN RESPECT OF A NEW MITSUBISHI MOTORS  
DEALERSHIP**

In line with the Group's expansion plans, the Board is pleased to announce that Mitsubishi Motors Malaysia Sdn. Bhd. ("**Mitsubishi Motors**") had, on 6 December 2019, issued a conditional letter of offer (the "**Offer Letter**") to the Group to establish a 3S automobile dealership for the Mitsubishi Motors brand of automobiles comprising a showroom and a service centre at Kuala Selangor (the "**Mitsubishi Dealership**"). The Group has today accepted the Offer Letter.

The Group's appointment is conditional upon the satisfaction of certain conditions, including (i) increasing the paid-up share capital of MN Wheels to RM1 million; and (ii) providing banker's guarantees for RM500,000 and RM30,000 in favour of Mitsubishi Motors as a performance security deposit.

The Group expects showroom operations to commence in the second quarter of the 2020 calendar year with the service centre operations commencing by the end of the 2020 calendar year. The Mitsubishi Dealership would bring the total number of dealerships operated by the Group under its dealership business to nine (9) dealerships under the Ford, Honda, Hyundai, Mazda, Mitsubishi Motors and Peugeot brands.

**2. USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

In accordance with the terms of the Offer Letter, the issued and paid-up capital of MN Wheels will be increased to RM1 million (approximately S\$327,321.53 based on the exchange rate of RM3.0551:S\$1.00) (the "**Subscription**"), prior to the commencement of operations of the Mitsubishi Dealership.

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:-

<b>Use of proceeds from IPO</b>	<b>Amount allocated (\$'000)</b>	<b>Amount utilised as at 27 December 2019 (\$'000)</b>	<b>Amount utilised upon completion of the Subscription (\$'000)</b>	<b>Amount unutilized upon completion of the Subscription (\$'000)</b>
Business expansion (including organic expansion and mergers and acquisitions)	1,800	661 <sup>(1)</sup>	327	812
General working capital purposes	584	584 <sup>(2)</sup>	-	-
<b>Total</b>	<b>2,384</b>	<b>1,245</b>	<b>327</b>	<b>812</b>

Notes:

- (1) Approximately S\$0.33 million was utilised on 16 April 2019 for the increase of the issued and paid up capital of MN Automart Sdn. Bhd. and approximately S\$0.33 million was utilised on 8 July 2019 for the increase of the issued and paid up capital of MN Otomart Sdn. Bhd.
- (2) General working capital includes payments to the Group's principals under its dealership business for the purchase of additional car inventories and to the Group's raw materials suppliers in its manufacturing business.

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 Mitsubishi 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  
 2 January 2020

*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.*

*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.*

Media Release

## **MeGroup secures first Mitsubishi Motors dealership; adds to its growing portfolio of brands**

- **Accepted letter of offer to operate a Mitsubishi Motors 3S automobile dealership**
- **First Mitsubishi Motors dealership to commence showroom operations in second quarter of 2020, with service centre operations to commence end of 2020**
- **Brings the total number of automotive brands to six, and dealerships under the Group to nine**

**Singapore, 2 January 2020** – SGX-Catalist listed **MeGroup Ltd.** (“MeGroup” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to announce that it has accepted a letter of offer from Mitsubishi Motors Malaysia Sdn. Bhd. (“Mitsubishi Motors”), the official distributor of the Mitsubishi Motors brand of automobiles in Malaysia, to establish and operate a 3S automobile dealership under the brand.

This represents the Group’s first Mitsubishi Motors dealership, with the showroom to be located at Kuala Selangor, Selangor, Malaysia. The showroom is expected to commence operations in the second quarter of the 2020 calendar year, with the service centre operations to commence in the fourth quarter of the same year. A 3S dealership comprises the sale of automobiles, after-sales services, as well as sale of automobile parts and accessories.

With the latest Mitsubishi Motors addition to the dealership portfolio, MeGroup now has nine dealership outlets under six brands – Ford, Honda, Hyundai, Mazda, Mitsubishi and Peugeot.

**Mr Jeffrey Wong, Head of Growth and Expansion, Head of Dealerships of MeGroup Ltd.** said:

“We are pleased to have reached an agreement with Mitsubishi Motors to operate a dealership under their brand, after months of intense discussions. To be able to add Mitsubishi Motors to our belt is a demonstration of their faith in our expertise and track record and marks another significant achievement for us. We will continue our momentum and efforts in the Dealership segment to add more brands and outlets to our growing portfolio.”

The Group intends to fund the issued and paid-up capital of MN Wheels Sdn. Bhd., a subsidiary under the Group which will operate the Mitsubishi Motors dealership, utilising approximately S\$327,321 from the Group’s IPO proceeds. The Group does not expect any material impact for the current financial year ending 31 March 2020.

End.

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

**About MeGroup** (https://me-grp.com/)

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

Under its Manufacturing business, MeGroup specialises in manufacturing 'noise, vibration and harshness' ("NVH") and non-NVH components primarily for the automotive industry in Malaysia. 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; and vi) one Mitsubishi Motors 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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2 January 2020

*This press release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.*

*This press release 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 accuracy, completeness or correctness of any of the information, 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.*