



**MEGROUP LTD.**  
(Incorporated in Singapore)  
(Company Registration No. 201804996H)

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## **ENTRY INTO AUTOMOBILE HEAD LEASE AGREEMENTS WITH FLUX SDN BHD**

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The board of directors (the "**Board**") of MeGroup Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Group has today entered into head lease agreements with Flux Sdn Bhd (the "**Collaboration**"). Flux Sdn Bhd ("**Flux**") is a car subscription services provider based in Malaysia which utilises an online platform to facilitate automobile leasing services between inventory providers and customers.

Pursuant to the Collaboration, the Group will assume the role of an inventory provider by leasing its unsold automobiles to Flux. Flux in turn subleases the automobiles to customers through its online platform. The Collaboration is intended to provide the Group with an additional income stream through the monetising of the Group's unsold inventory.

The Collaboration is not expected to have any material impact on the Group for the current financial year ending 31 March 2020. Under the terms of the Collaboration, the Group's unsold inventory will be leased to Flux in response to customer requests received by Flux on its online platform. As such, the Group is unable to ascertain the expected financial impact of the Collaboration for the financial year ending 31 March 2021 with certainty.

None of the Company's directors, substantial shareholders and any of their respective associates have any interest, direct or indirect (other than through their shareholdings in the Company) in the above transaction.

### **On Behalf of the Board**

Wong Cheong Chee  
Executive Chairman and CEO

16 March 2020

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*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 broadens revenue stream with car subscription platform provider, Flux**

- **Signs agreement with Flux to be an automobile inventory provider**
- **Flux is a Mobility-as-a-Service provider, offering car subscriptions in Malaysia**
- **Collaboration aimed at fulfilling growing demand for a convenient and flexible car alternative to the conventional hire purchase loan**

**Singapore, 16 March 2020** – SGX-Catalist listed **MeGroup Ltd.** (“MeGroup” or the “Company”, and together with its subsidiaries, the “Group”) has entered into an agreement with Flux Sdn Bhd (“Flux”) to become an automobile inventory provider for Flux’s customers.

Flux is an all-inclusive monthly car subscription service providing Mobility-as-a-Service (“MaaS”) through an online platform, where it facilitates car leasing services between an inventory provider such as MeGroup and the platform’s consumers. Subscription tenures range from month-to-month for highest flexibility to 36 months for best value, with customisable mileage packages.

This collaboration provides the Group an additional income stream and at the same time monetise its unsold inventory. It also feeds into a growing demand for an alternative, flexible car leasing service, other than the conventional hire, purchase or loan options.

Commenting on its latest development, **Mr Jeffrey Wong, Head of Growth and Expansion, Head of Dealerships of MeGroup Ltd.** said, “This partnership is in line with our strategy to put our unsold inventory to better use. With Flux’s unique and interesting business model, it is a good strategic fit with our plans to offer up our portfolio of different car marques to their subscribers.”

MeGroup currently has six car brands – Mazda, Honda, Peugeot, Hyundai, Ford and Mitsubishi – and nine dealership outlets in its portfolio.

“Flux has already secured customers for our cars and we hope to begin this leasing service as soon as we can. This opportunity provides the Group a supplementary income stream, which if all goes well, we may consider expanding this business,” added Mr Wong.

For more information on Flux, please visit their website at [www.driveflux.com](http://www.driveflux.com).

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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