



MEGACHEM LIMITED
Registration No.198803293M

INCREASE IN INVESTMENT IN ASSOCIATED COMPANY

The Board of Directors (the "Board") of Megachem Limited (the "Company" or together with its subsidiaries, the "Group") refers to the announcement ("Announcement") made by the Company on 11 May 2015 in relation to the proposed listing of Megachem (Thailand) Limited ("MGT"), an associated company of the Company ("Proposed Listing").

Further to the Announcement, the Board wishes to announce that MGT, as part of the preparation for its Proposed Listing, has on 27 April 2016 increased its paid-up capital from Thai Baht 4,088,800 to Thai Baht 150,000,000 by capitalizing part of its retained earnings. Following this exercise, the Company's investment in MGT increased from Thai Baht 1,973,200 to Thai Baht 72,388,500 and the percentage shareholding in MGT remains at approximately 48%.

The increase in the Company's investment in MGT is not expected to have any material impact on the earnings per share of the Group and net tangible assets per share of the Company and the Group for the financial year ending 31 December 2016. Following the capital increase, MGT remains as an associated company of the Company.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above transaction, save through their respective shareholdings in the Company. The Company did not receive any notification from any of its controlling shareholders that they have any direct or indirect interest in the above transaction.

By order of the Board

Chew Choon Tee
Managing Director

28 April 2016

This announcement has been prepared by the Company and the contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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 Ms Tan Pei Woon (Tel : (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.