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**BUSINESS UPDATE : EXPANSION INTO MYANMAR**

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The Board of Directors (the "Board") of Megachem Limited (the "Company" or together with its subsidiaries, the "Group") would like to give shareholders an update of our business.

Our associated company, Megachem (Thailand) Public Company ("Megachem Thailand"), which the Company holds approximately 36%, has incorporated a joint venture known as Megachem (Myanmar) Limited ("Megachem Myanmar") in Myanmar with a direct equity interest of 51%. The balance 49% equity interest is held by Prime Index Co., Ltd.

The principal activities of Megachem Myanmar consists of trading in construction material, hospital equipment, seeds and fertilizers.

Megachem Thailand's venture into Myanmar is in line with the Group's strategy to expand geographically.

None of the directors and controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the above transaction, save through their respective shareholdings and/or directorships 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

3 July 2018

This announcement has been prepared by the Company and the contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), 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 Mr David Yeong (tel : (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.