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**INCREASE IN INVESTMENT IN MGI CHEMICALS PRIVATE LIMITED**

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The Board of Directors (the “Board”) of Megachem Limited (the “Company” or together with its subsidiaries, the “Group”) wishes to announce that the Company has increased its investment in the issued and paid up capital of MGI Chemicals Private Limited (“MGI”), a wholly-owned subsidiary of the Company incorporated in India, from Indian Rupees 30,000,000 to Indian Rupees 58,800,000 by way of subscription of 1,200,000 new ordinary shares for a cash consideration of Indian Rupees 24 per share on 13 March 2018. Following the aforesaid subscription, MGI remains a wholly-owned subsidiary of the Company.

The total subscription price of Indian Rupees 28,800,000 was funded by internal resources of the Company.

The increase in investment is not expected to have any material impact on earnings per share of the Group and net tangible assets per share of the Company and of the Group for the financial year ending 31 December 2018.

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

10 April 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 Ong Hwee Li (tel : (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.