



MEGACHEM LIMITED
Registration No.198803293M

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of the Company will be convened and held by way of electronic means on Friday, 16 April 2021 at 2.00 p.m. to transact the following business:-

AS ORDINARY BUSINESS

1. To receive and adopt the Statement By Directors and Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final tax exempt dividend of 1 cent per share for the financial year ended 31 December 2020 (2019: final tax exempt dividend of 1 cent per share). **(Resolution 2)**
3. To approve Directors’ fees of S\$166,000 for the financial year ending 31 December 2021 (2020: S\$162,667). **(Resolution 3)**
4. (a) To re-elect Mr Lee Bon Leong who is retiring pursuant to Regulation 117 of the Company’s Constitution. **(Resolution 4)**

Mr Lee Bon Leong will, upon re-election as a Director of the Company, continue to serve as the Independent and Non-Executive Chairman, Chairman of the Nominating Committee and as members of Audit Committee and Remuneration Committee. Mr Lee Bon Leong is considered independent for the purpose of Rule 704(7) of the Listing Manual of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst (the “Catalist Rules”).

Key information on Mr Lee Bon Leong is found on page 17 of the Company’s 2020 annual report.

- (b) Contingent upon passing of Resolution 4 and pursuant to Rule 406(3) (d) (iii) of the Catalyst Rules which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Mr Lee Bon Leong as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. **(Resolution 5)** [See explanatory Note (i)]

- (c) Contingent upon passing of Resolutions 4 and 5 and pursuant to Rule 406(3) (d) (iii) of the Catalist Rules which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Mr Lee Bon Leong as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. *[See explanatory Note (i)]* **(Resolution 6)**
5. (a) To approve the continued appointment of Mr Chan Kam Loon as an Independent Director. Pursuant to Rule 406(3) (d) (iii) of the Catalist Rules which will take effect from 1 January 2022, Shareholders to approve the continued appointment of Mr Chan Kam Loon as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. *[See explanatory Note (ii)]* **(Resolution 7)**
- (b) Contingent upon passing of Resolution 7 and pursuant to Rule 406(3) (d) (iii) of the Catalist Rules which will take effect from 1 January 2022, Shareholders, excluding the directors, the chief executive officer and their associates, to approve the continued appointment of Mr Chan Kam Loon as an Independent Director, and that upon due approval, the approval shall remain in force until the earlier of: (i) the retirement or resignation of the Director; or (ii) the conclusion of the third AGM from the aforesaid approval. *[See explanatory Note (ii)]* **(Resolution 8)**
- Key information on Mr Chan Kam Loon is found on page 20 of the Company's 2020 annual report.*
6. To re-elect Dr Tay Kin Bee who is retiring pursuant to Regulation 117 of the Company's Constitution. **(Resolution 9)**
- Dr Tay Kin Bee will, upon re-election as a Director of the Company, continue to serve as an Independent Director, Chairman of the Remuneration Committee and as member of the Audit Committee. Dr Tay Kin Bee is considered independent for the purpose of Rule 704(7) of the Catalist Rules.*
- Key information on Dr Tay Kin Bee is found on page 21 of the Company's 2020 annual report.*
7. To re-elect Mr Yasutaka Kawamura who is retiring pursuant to Regulation 122 of the Company's Constitution. **(Resolution 10)**
- Mr Yasutaka Kawamura will, upon re-election as a Director of the Company, continue to serve as the Non-Independent and Non-Executive Director.*
- Key information on Mr Yasutaka Kawamura is found on page 22 of the Company's 2020 annual report.*
8. To re-appoint Messrs RSM Chio Lim LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 11)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Ordinary Resolutions with or without any modifications:-

9. Authority to allot and issue shares and convertible securities **(Resolution 12)**

- (a) "That pursuant to Section 161 of the Companies Act, Cap. 50, and Rule 806 of the Catalyst Rules, authority be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:
- (i) issue and allot shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise;
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued or other transferable rights to subscribe for or purchase Shares including but not limited to the creation and issue of warrants, debentures or other instruments convertible into Shares;
 - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

- (i) the aggregate number of Shares to be issued pursuant to this resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 100% of the total number of issued shares excluding treasury shares and subsidiary holdings of the Company, of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 50% of the total number of issued shares excluding treasury shares of the Company.

For the purpose of this resolution, the total number of issued shares excluding treasury shares is based on the Company's total number of issued shares excluding treasury shares and subsidiary holdings at the time this resolution is passed, after adjusting for;

- a) new shares arising from the conversion or exercise of convertible securities, or
 - b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules, and
 - c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

10. To approve the renewal of Interested Person Transactions Mandate **(Resolution 13)**

"That

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules ("Chapter 9"), for the Company, its subsidiaries and associated companies (if any) that are considered to be "entities at risk" under Chapter 9, or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Appendix to the Company's Letter to Shareholders dated 1 April 2021 (the "Letter"), with any party who is of the class of interested persons described in the Appendix to the Letter provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders and in accordance with the Company's review procedures for such interested person transactions (the "IPT Mandate");
- (b) the IPT Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier; and
- (c) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient, necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company."

11. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Lee Bon Leong, Dr Tay Kin Bee, Mr Yasutaka Kawamura and Mr Chan Kam Loon are the Directors seeking re-election at the forthcoming AGM of the Company to be convened on 16 April 2021 (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the Catalist Rules, the additional information relating to the Retiring Directors as set out in Appendix 7F to the Catalist Rules are disclosed on page 17, 20, 21 and 22 of the Company’s 2020 annual report.



NOTICE OF RECORD DATE

NOTICE IS HEREBY GIVEN that subject to approval being obtained at the Annual General Meeting to be held by way of electronic means on Friday, 16 April 2021 at 2.00 p.m.

1. A final tax exempt dividend of 1 cent per share for the financial year ended 31 December 2020 will be paid on 25 May 2021.
2. The Share Transfer Books and Register of Members of the Company will be closed on 10 May 2021 for preparation of dividend warrants. Duly completed and stamped transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road #02-00, Singapore 068898, up to 5.00 p.m. on 7 May 2021 will be registered to determine members' entitlements to the proposed dividend. Members (being depositors) whose securities account with the Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 7 May 2021 will be entitled to the payment of the proposed dividend.

BY ORDER OF THE BOARD

Kwok Hwee Peng
Company Secretary

1 April 2021

Explanatory Notes:-

- (i) Pursuant to Rule 406(3) (d) (iii) of the Catalist Rules which will take effect from 1 January 2022, Mr Lee Bon Leong, having served on the Board beyond nine(9) years from the date of his first appointment, will not be considered an Independent Director from 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Ordinary Resolutions 5 and 6, if passed, will enable Mr Lee Bon Leong to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 406(3) (d) (iii) of Catalist Rules and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approvals shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Resolution 5 is conditional upon Resolution 6 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from 1 January 2022.

- (ii) Pursuant to Rule 406(3) (d) (iii) of the Catalist Rules which will take effect from 1 January 2022, Mr Chan Kam Loon, having served on the Board beyond nine(9) years from the date of his first appointment, will not be considered an Independent Director from 1 January 2022 unless his appointment as an Independent Director is approved in separate resolutions by (A) all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates. The Company is seeking at this AGM to obtain the required approval in separate resolutions by (A) by all Shareholders and (B) Shareholders, excluding the directors, the chief executive officer and their associates prior to 1 January 2022 as required for his continued appointment as an Independent Director. Ordinary Resolutions 7 and 8, if passed, will enable Mr Chan Kam Loon to continue his appointment as an Independent Director (unless the appointment has been changed subsequent to the AGM) pursuant to Rule 406(3) (d) (iii) of the Catalist Rules and to Provisions 2.1 of the Code of Corporate Governance 2018 and the approvals shall remain in force until the earlier of (a) his retirement or resignation; or (b) the conclusion of the third AGM of the Company. Resolution 7 is conditional upon Resolution 8 being duly approved, else the aforesaid director will be designated as Non-Independent Director with effect from 1 January 2022.
- (iii) The Ordinary Resolution 12 is to authorise the Directors of the Company from the date of this Meeting until the next Annual General Meeting to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 100% of the issued share capital of the Company of which the total number of shares and convertible securities issued other than on a pro-rata basis to existing shareholders shall not exceed 50% of the issued share capital of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. This authority will, unless revoked or varied at a general meeting, expire at the next Annual General Meeting of the Company.

Notes:

1. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of AGM (the "Notice of AGM") and the proxy form will be sent to members by post and by electronic means via publication on the Company's website at <http://megachem.listedcompany.com/newsroom.html>. This Notice of AGM will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>.
2. **Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the AGM in person.** Instead, alternative arrangements have been put in place to allow members to participate at the AGM by (a) watching the AGM proceedings via "live" webcast, (b) submitting questions in advance of the AGM, and (c) voting by appointing the Chairman of the AGM as proxy at the AGM. Additional information on alternative arrangement is set out in a separate letter "Additional Information on Alternative Arrangement for AGM" ("Additional Information"). This letter will be sent to members by post and by electronic means via publication on the Company's website at <http://megachem.listedcompany.com/newsroom.html> and will also be available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Members are advised to follow the procedures set out in the Additional Information.

This Notice has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.

The contact person for the Sponsor is Ms Tay Sim Yee (Telephone: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.