



MEGACHEM LIMITED
Registration No.198803293M

ANNUAL GENERAL MEETING : RESPONSES TO QUESTIONS FROM SHAREHOLDERS

The Board of Directors (the "**Board**") of Megachem Limited (the "**Company**" or together with its subsidiaries, the "**Group**") refers to:

(a) the annual report of the Company for the financial year ended 31 December 2021 (the "**Annual Report**");

(b) the Notice of Annual General Meeting ("**AGM**") issued on 1 April 2022 informing shareholders that the Company's AGM will be convened and held by way of electronic means on **18 April 2022 at 10:00 am**.

The Company would like to thank shareholders for submitting their questions in advance of our AGM. Please refer to Annex hereto for the list of questions received from shareholders, and the Board's responses to these questions.

By order of the Board

Chew Choon Tee
Managing Director

13 April 2022

ANNEX

RESPONSES TO QUESTIONS FROM SHAREHOLDERS

Question 1

For Company to spend more than SGD500,000 on garden leave and compensation to lay off ED and GM. How this benefit and justified for the minority shareholders' interest. What is the actual amount paid to the ED? What is the actual amount paid to the GM?

Answer

Cessation of Executive Roles and Duties of Executive Director Mr Tan Bock Chia

On 16 June 2021, the Company made an announcement to re-designate Mr Tan Bock Chia's ("Mr Tan") role from an Executive Non-Independent Director to Non-Executive Non-Independent Director of the Company. After reviewing individual executive directors' role and responsibilities, the Board concluded that given the Company's size and nature, the Company's management structure does not require 2 executive directors for the efficient operations of the Company.

The Board passed a resolution, by a majority of votes, on 9 June 2021 to approve the cessation of the executive roles and duties of Mr Tan on the same day. He was placed on garden leave from 10 June 2021 to the date of expiry of his service agreement which was 31 December 2021. After the cessation of his executive roles and duties, Mr Tan remains as Non-Executive Non-Independent Director of the Company.

For more information on this matter, shareholders may refer to our announcement at <https://www.sgx.com/securities/company-announcements?value=MEGACHEM%20LIMITED&type=company&page=2&pagesize=20>.

Mr Tan was remunerated until the expiry of service agreement which was 31 December 2021 and in accordance with the terms of his service agreement.

Cessation of GM

Any cessation of an employee is part and parcel of a company's normal course of operation and he or she will be remunerated in accordance with the terms of his or her employment contract. As remuneration is personal and confidential information, we are unable to provide any further information as per request.

The Board would like to give assurance to shareholders that the matter mentioned above had not and will not jeopardise shareholders' interest as is evident in the recorded profit the Company reported for the financial year ended 31 December 2021.

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"),

This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("the "Exchange") and the Exchange assumes no responsibility for its content, 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 Tay Sim Yee (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.