



# Sustainable Chemistry

Annual Report 2015







A reaction of our **Vision**, a robust **Business Strategy**, sound **Financial Fundamentals**, catalyzed by a **Passion for Excellence and Value Creation** as well as our commitment towards **Corporate Governance** and **Sustainability**, all with an aim of preserving and enhancing the interest of our stakeholders. All these elements create a chemistry that is viable and sustainable – **Megachem's Sustainable Chemistry.**

# A Moment of Pride







## Megachem Wins Four Awards At The Prestigious Singapore Corporate Awards 2015

Best Managed Board (Gold),  
Best Chief Financial Officer,  
Best Annual Report Award  
(Silver) and  
Best Investor Relations Award  
(Bronze),  
in the "less than \$300 million  
market capitalisation" category.

# Our World of Chemistry



## Making The World A Brighter Place

### Performance Coatings And Polymers

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Adhesives  
Construction  
Paint & Ink  
Polymerisation



## Driving Performance

### Advance Polymer Composites

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Plastics  
Polyesters  
Polyurethane  
Rubber

# Sustaining Our Natural Resources

## Surface Technology

Electronics  
Industrial Cleaning  
Metal Finishing  
Water Treatment



# Nourishing Our Well-Being

## Biotech

Agriculture  
Feeds  
Flavours & Fragrance  
Food & Beverage  
Pharmaceuticals





# Our World of Chemistry



## Bringing Vibrancy To Life

### Lifestyle

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Personal Care  
Photographic  
Textile



## Energising The World

### Oil And Gas

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Lubricant & Grease  
Oil Field  
Petrochemical



# Our Prospects 2016



## BUILDING RESILIENCE

### A Challenging External Environment

The final months of 2015 ushered in further signs of growth deceleration in China, weakness in Europe's economies, meltdown in crude oil prices plus heightened conflict and tension in the Middle East. The hangover from last year seems likely to extend for some time into 2016.

Therefore we expect a more challenging economic environment going into 2016, marked mainly by continued concerns over the impact of slowing China's economy and the economic health of Europe. Risks are also lurking in the currency markets with higher volatility as well as in the overall financial market which could ultimately hurt the overall economy.

The prospects in chemical industry will inevitably move in tandem with the overall economy. Our efforts to maintain revenue growth momentum will be faced with mounting external challenges.

### Refining Our Strategy

In response to the challenges, Megachem will refine our strategy with a focus on building resilience while keeping an eye on the longer term opportunities that the industry presents. This will involve:

- pursuing diversification in our business portfolio;
- adjusting our portfolio with more emphasis on coverage of more resilient industries;
- leveraging on our extensive network in Asia to capitalise on the long term growth of one of the largest markets for chemicals;
- enhancing relationships with key global customers and suppliers; and
- improving operational excellence.

### Longer Term Growth Prospect

Despite many headwinds ahead, the long term outlook of the chemical industry remains positive especially in Asia where growth will continue to outpace other regions. Although we may take a more cautious business approach in the short term, our longer term prospect remains intact given our strong business fundamentals and our strength in Asia.



Defining Megachem

# DIFFERENTIATE ENERGIZED ENGAGE EXECUTE PASSION PERFORMANCE-DRIVEN CHANGE

Supporting Megachem's key success factors is the invigorating **DEEEP** culture – one that bonds the spirit of our people together with common values, easily recognizable in the conduct of our business where

We constantly **Differentiate** ourselves to stay ahead of competition

We are **Energized** towards realizing our vision in everything that we do

We constantly pursue better ways to **Engage** with our business partners to achieve mutually beneficial relationship

Our people are committed to **Execute** and deliver quality results

Because we truly believe in our **Passion** to better serve and deliver our best

We are a **Performance-Driven** organization

We embrace **Change** to stay relevant.

# Our Achievements

At Megachem, we are constantly pursuing higher standards of business excellence. Our string of achievements and awards garnered over the years attest to our customer-focused corporate values and quality standards.



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