



NURTURING SUSTAINABLE VALUE

ANNUAL REPORT 2016



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**.



ANOTHER MILESTONE IN MEGACHEM'S HISTORY

Megachem (Thailand) Public Co Ltd made its debut IPO in the Stock Exchange of Thailand.



“The listing marks a key milestone for the Group, and is aligned with our plans to expand our presence in Asia. Thailand holds promising prospects for Megachem’s business and could serve as a springboard for us to further establish our foothold in Southeast Asia and beyond.” -Mr. Sidney Chew, Executive Chairman and Managing Director



CHAIRMAN'S MESSAGE



Over the years, we have established a strong track record in the industry. We intend to continue leveraging on our network of long-standing relationships to strengthen our position and further penetrate the market.

Dear Shareholders,

On behalf of the Board of Directors, it is my pleasure to present to you Megachem Limited's ("Megachem" or the "Group") annual report for the financial year ended 31 December 2016 ("FY2016").

Managing softer macroeconomic conditions with operational efficiencies

Against a backdrop of softer global macroeconomic conditions at the end of the last financial year, we cautioned that it would likely lead to a less than upbeat playing field in 2016. That turned out, to a large extent, the way we had anticipated. The demand for specialty chemical, given its wide application and usage in a diverse range of industries, is closely correlated to economic activities. Hence, Megachem, as a specialty chemicals player, has been impacted by weaker demand from our customers and this has weighed on our FY2016 financial performance.

Having gone through multiple market cycles, we are well aware of the importance in margin optimisation so as to mitigate adverse effects



OUR WORLD OF CHEMISTRY



Making The World A Brighter Place

Performance Coating
And Polymer

Adhesive
Construction
Paint & Ink
Polymerisation

Driving Performance

Advance Polymer
Composite

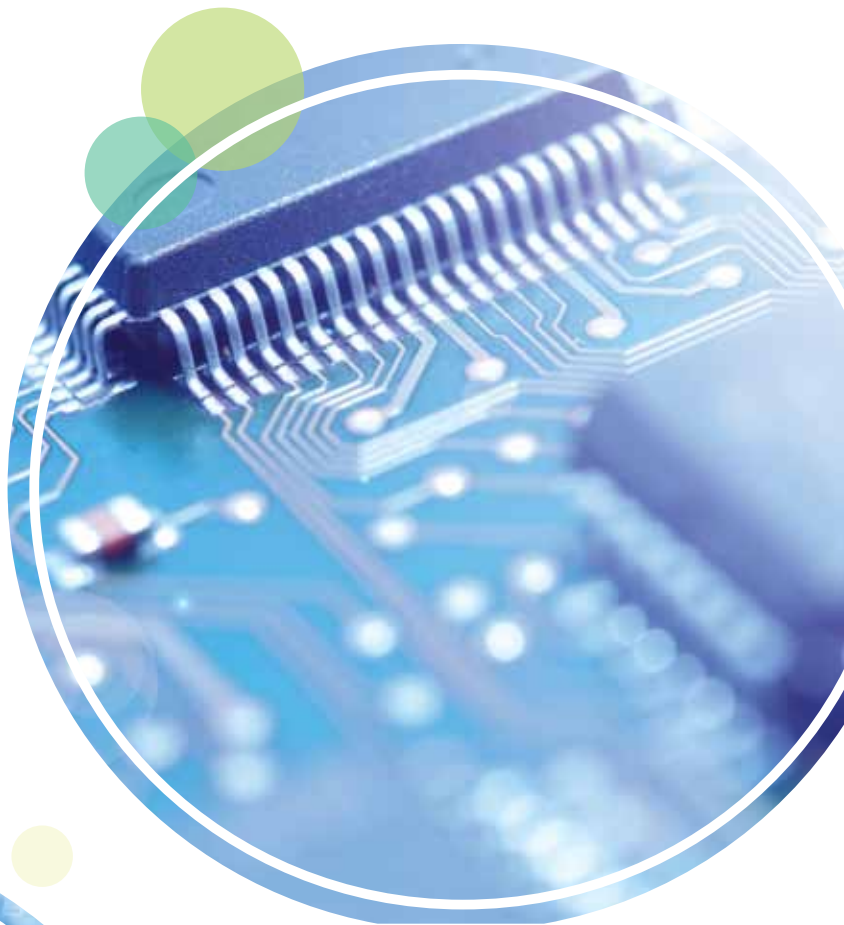
Plastic
Polyester
Polyurethane
Rubber



Enabling Technologies

Surface
Technology

Electronic
Industrial Cleaning
Metal Finishing
Water Treatment



Nourishing Our Well-Being

Biotech

Agriculture
Feed
Flavours & Fragrance
Food & Beverage
Pharmaceutical



OUR WORLD OF CHEMISTRY



Bringing Vibrancy To Life

Lifestyle

Personal Care
Photographic
Textile

Energising The World

Oil And Gas

Lubricant & Grease
Oil Field
Petrochemical
Refinery





OUR PROSPECTS

RESILIENCE

- Portfolio readjustment of products and services – focus on resilient market segments
- Risk mitigation through diversification
- Improving operational excellence
- Financial discipline

GROWTH

- Develop new pillars of growth
- Leveraging Asia network for growth
- Strengthening key customers and suppliers relationship

Macroeconomic uncertainties persist.

In our previous annual report for financial year 2015, we shared with shareholders and investors our concern over the state of the global economy and hence painted a more muted outlook for our business.

The global economy, hindered by concerns over China's economic growth and impact of Brexit, has indeed remained sluggish for most part of 2016.

Going into 2017, the world is still grappling with questions over which direction the global economy will go. While there seems to be a beacon of hope in US economy, political uncertainties, trade protectionism, Brexit and concerns over China's economic growth will cloud the global economy.

Given chemical industry close co-relation with the economic activities, our prospects will be inextricably dependent on overall economic conditions.

In the face of persistent uncertainties in global economic environment, it is difficult to provide any guidance to our performance for 2017.

Building Resilience and Long Term Sustainability

Even under such circumstances, our current efforts to nurture long term sustainable values through a sound business model, financial discipline and operational excellence will not waver.

More resources will be channelled towards building new pillars of growth and developing strong relationships with key business partners. We will continue to leverage on our extensive network in Asia to capitalize on the long term growth in one of the largest markets for chemicals.

At the same time we will enhance financial strength to remain resilient in any adversity as well as review our operations for productivity growth and cost efficiency.





ABOUT US

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited, 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 annual report.

This annual report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Ong Hwee Li (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower Singapore 048542.
SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.



COMPANY PROFILE

**YOUR TOTAL
CHEMICAL
SOLUTIONS
PARTNER**



Established in 1988, Megachem has since emerged as a leading chemical player in Singapore and the region. Listed on the Singapore Stock Exchange in 2003, we are today a global one-stop specialty chemical solutions provider, offering integrated value-added services including contract manufacturing tailored to customers' needs as well as distribution of specialty chemicals. We have a global presence and diverse customer base from a wide spectrum of industries. Our technical capabilities, supply chain infrastructure and professional team serve to ensure total customer satisfaction.



COMPANY OVERVIEW



1

**Providing Integrated
Value-added Solutions**

2

**Serving you Globally
with One-stop Supply
of Specialty Chemicals**



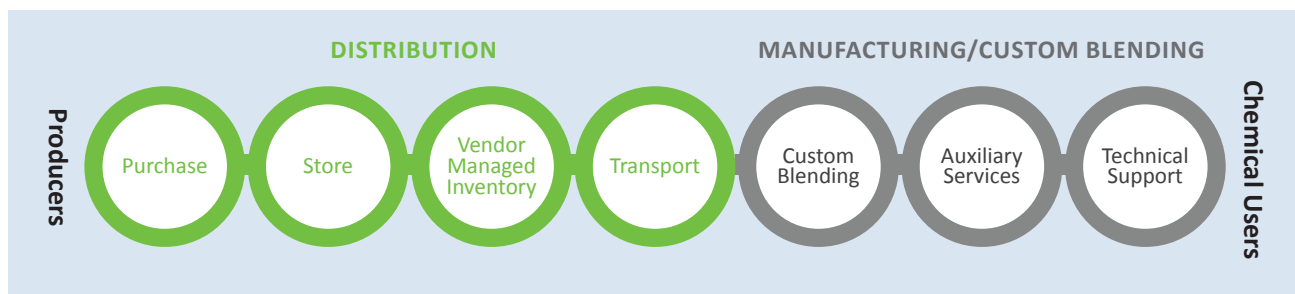
3

**A Premium Provider
of Chemical Contract
Manufacturing Services**





OUR BUSINESS MODEL



VALUE-ADDING IN THE CHEMICAL SUPPLY CHAIN



- Wide product portfolio – more than 1,000 types and grades of chemicals
- Global Sourcing Network - Europe, US, Japan, China, India
- Global Distribution Network – presence in 11 countries around the world
- Strong customer base – more than 2,000 customers
- Providing Just-in-Time delivery and Vendor-Managed Inventory Service



- Mixing and Blending according to customers' formulations
- Repackaging from bulk to smaller packaging
- Filling, packaging and labeling
- Technical support from dedicated application laboratories



OUR GLOBAL FOOTPRINT



CONNECTING TO A WORLD OF OPPORTUNITIES

With an extensive global network and strategic locations in Asia, we are well-positioned to develop strategic relationships and forging winning formula in a challenging business landscape.



- | | | | |
|---|---|---|---|
|  Singapore |  China |  Philippines |  India |
|  Malaysia |  Thailand |  Australia |  UK |
|  Indonesia |  Middle East |  Vietnam | |



WHY MEGACHEM?

Every single element has to be exactly in place to create the desired formula for success and Megachem has been building this winning formula over the decades. Several vital ingredients make up this potent formula:

Our integrated solutions, superior manufacturing capability, extensive global network, our strong customer base, outstanding product portfolio, efficient supply chain solutions and sophisticated IT support services. Together, these elements give our customers the competitive edge they seek, making us their indispensable partner on their journey to growth.

Our Competitive Strengths

Integrated Specialty Chemical Solutions Provider

Megachem's capabilities in proprietary chemical products manufacturing, contract manufacturing and global distribution provide customers with integrated solutions, thus adding higher value to them.

These make us a one-stop shop where customers can find total solutions.

Superior Manufacturing Capability

In contract manufacturing, we add value by blending materials according to our customers' formulation and specific requirements. With our proven track record with several multinationals, customers can confidently outsource to us their non-core production activities so that they can focus on what they do best - making their business grow.

Extensive Global Network

Our extensive network in Singapore, Malaysia, Indonesia, Thailand, Philippines, Vietnam, China, India, Middle-east, Australia and the UK enables us to serve our customers globally.

Our direct presence in these markets offers a premium service level and minimizes operating cost for our customers. Our integrated network also allows for cross-border exchange of market information and enables us to connect our suppliers to their desired markets.

Strong Customer Base

Over the years we have developed a strong and diversified customer base comprising largely multi-nationals companies spread across a wide range of industries. This is a testimony of their confidence in us and of our ability to deliver long-term value to them.

Outstanding Product Portfolio

We carry a wide range of products which provides a one-stop shop and enables us to be a key supplier to our customers.

Quality Supply Source

Our suppliers have proven track records in quality, consistency, competitive pricing and supply reliability.

A strong presence in Asia has helped several of our principal suppliers to penetrate key markets, which led to our appointment as their sole distributor and business partner.

Efficient Supply Chain Solutions

Our warehousing facilities stock different classes and grades of specialty chemicals. Coupled with an efficient logistics support, we are able to deliver "just-in-time" which in turn helps customers improve inventory planning and reduce inventory cost.

Sophisticated IT Infrastructure

Megachem invests heavily in a world-class IT infrastructure including mySAP Business Suite software. This enhances our service efficiency as well as provides seamless information exchange which gives us a competitive advantage over our competitors.





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.



CERT NO.: BCM-ISO22301-0035
ISO 22301:2012

BOARD OF DIRECTORS



Mr Sidney Chew Choon Tee

Executive Chairman & Managing Director

Mr Sidney Chew, the Group's Executive Chairman and Managing Director, is one of the founders of Megachem. He was appointed as the Managing Director of the Group on 9 November 2005. As Executive Chairman, he leads the Board in setting Megachem's vision and strategic direction. In his executive functions, he assumes primary responsibility for managing the Group's operations. He holds a Bachelor of Science (Hons) in Chemistry and a Bachelor of Arts, majoring in Business Administration, from the University of Guelph. He has many years of experience in the chemical industry. Prior to this, he was a director with a chemical company where he was responsible for product development, marketing and technical matters.



Mr Jeffrey Tan Bock Chia

Executive Director

Mr Jeffrey Tan is one of the founders of Megachem. As an Executive Director, he oversees the Group's operations in China and the Philippines as well as the implementation of the Group's business strategy. Mr Tan completed his "A" levels at Hwa Chong Junior College. His experience in the chemical industry started since 1987. Mr Tan is also a Honorary Council Member of the Singapore-China Business Association.



Mr Chan Kam Loon

Lead Independent Director

Mr Chan Kam Loon was appointed to the Board on 28 September 2007 as an Independent Director and serves as Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee. He was subsequently appointed as Lead Independent Director on 21 February 2011. He holds a degree in Accounting and Finance from the London School of Economics and is a member of the Institute of Chartered Accountants in England and Wales. He has many years of experience in accounting and audit with KPMG London and PWC Singapore, investment banking with Morgan Grenfell Asia Ltd and HG Asia Securities Ltd and was a director of investments at Suez Asia Holdings. Mr Chan was head of the Listings Function of Markets Group at the Singapore Exchange for 3 years. He also serves as an independent director of three other SGX listed companies.



Mr Lee Bon Leong

Independent Director

Mr Lee Bon Leong was appointed to the Board on 5 September 2003 as an Independent Director. He holds a Bachelor of Law (Hons) and a Masters of Law from the National University of Singapore. A practising lawyer with many years of experience in corporate and conveyancing law, Mr Lee is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committee. Mr Lee is the Senior Partner of Lee Bon Leong & Co. He is a Justice of the Peace and was a member of the Panel for the Disciplinary Committee of Enquiry Public Service Commission. Mr Lee is the Vice-Chairman and Trustee of the Inmates' Families Support Fund and a member of the Singapore Board of Visiting Justices. He is also the Chairman of the Home Detention Advisory Committee. Mr Lee was appointed as the Chairman of the Board of Visitors for SCDF & SPF Detention Barracks (DB) in April 2016. He is also serving as an independent director in two other SGX listed companies.

Dr Tay Kin Bee

Independent Director

Dr Tay Kin Bee was appointed to the Board on 1 July 2013 and serves as Chairman of the Remuneration Committee and a member of the Audit Committee. He holds a Doctor of Business Administration degree, a Master's degree in Accounting and Finance as well as a Bachelor's degree in Mechanical Engineering (1st Class Honours). He has vast experience in the chemical industry, having served as the Managing Director and CEO of a specialty chemical distribution company for several years in Malaysia and Singapore. Dr Tay had also made significant contribution to the chemical industry, sharing his knowledge and expertise in various committees. Currently he is the Deputy Chairman of the Chemical Standards Committee (Singapore Standards Council), a Governing Board Member of the Workplace, Safety and Health Institute and the Honorary Chairman of the Singapore Chemical Industry Council. He is also a director of SPCI Pte Ltd, a chemical manufacturer of sulphur-based products.

Mr Toshiyuki Yokogawa

Non-Executive Director

Mr Toshiyuki Yokogawa was appointed to the Board on 1 June 2016 as a Non-Executive Director. He holds a degree in Commerce and Economics and started his career in Chori Co., Ltd in 1994. He has vast experience in the chemical industry, having held key positions within Chori Co., Ltd. Mr Yokogawa is currently a manager in the Performance Chemical division in Chori Co., Ltd, the Managing Director of Chori Singapore Pte Ltd as well as the Chief Representative of Chori Co., Ltd Manila office. Prior to his current positions, he was the Managing Director of Chori America, Inc.



SENIOR MANAGEMENT



Mr Chan Khai Leong

Group General Manager

Mr Chan Khai Leong joined Megachem in December 2007 as the Business Development Director and was appointed as its Group General Manager in January 2009. As Group General Manager, he is responsible for the overall strategic planning as well as overseeing the day-to-day business operations for the Group's headquarters in Singapore. He also takes charge of the Group's manufacturing operations as well as operations in China. Mr Chan holds an honours degree in Chemistry from the National University of Singapore and has more than 20 years of experience in the chemical industries, assuming senior management roles in sales and marketing, production and plant expansion projects, technical service and business development in a wide range of specialty chemicals for use in a variety of industries.

Mr Francis Yau Thiam Hwa

Chief Financial Officer

Mr Francis Yau joined Megachem in 2000 as the General Manager of Megachem (Shanghai) Pte Ltd and Megachem International Trading (Shanghai) Co. Ltd prior to his appointment as the Group's Financial Controller in 2001. He was promoted to the position of Chief Financial Officer on 1 January 2007. Mr Yau takes responsibility for all financial matters including financial and treasury planning, financial risk management and investor relations. He had several years of corporate banking experience prior to joining Megachem. He holds a bachelor degree in Business Administration from the National University of Singapore, majoring in finance and is also a member of the Institute of Singapore Chartered Accountants. He also serves as an independent director in 2 other companies listed on SGX.

Ms Kwok Hwee Peng

Group Finance Manager

Ms Kwok Hwee Peng joined Megachem as Group Accountant in 2002 and was promoted to the position of Group Finance Manager in 2008. She is responsible for the Group's financial reporting and is also the Company Secretary. She has several years of experience in accounting and audit with PricewaterhouseCoopers prior to joining Megachem. She holds a Bachelor of Accountancy from the Nanyang Technological University and is also a member of the Institute of Singapore Chartered Accountants.



OUR HUMAN CAPITAL



At Megachem, our people are our greatest asset hence is at the heart of everything we do. We believe in the continuous investment and development of our people to realize their full potential to help the organization achieve excellence in our business results. The People Developer accolade is testimony to this longstanding commitment and belief that investment in people will thrust the organization towards the pinnacle of excellence in our relationship with our partners, customers and suppliers.

In pursuit of People Excellence, we adopt a holistic approach to human capital development.

Rewards & Benefits

Megachem considers the competitive market place, relative value of each position to the Company as well as among similar jobs, performance of individual employees, qualifications and relevant work experience in deciding how much an individual is paid. The Company reviews its compensation and benefits program regularly to ensure it is on par with the market. The Company believes in providing targeted incentives and rewards to employees, consistent with their performance contribution to profit result outcomes.

Welfare and Well-Being

We are committed to create and sustain a working environment supportive of work life balance for all employees where they are respected partners of the business. The Company conducts various programs to foster welfare and well-being among colleagues, to improve overall health of employees and to achieve work-life harmony. In so doing, a visible team of committed, productive and motivated employees is highly energized to realize the corporate vision, mission, values and culture.

Learning and Development

We place people at the core of our human resource ('HR') strategy and holds strong belief in the nurturing of our employees to achieve excellent business results and a high level

of competency. The Company's HR policy is one that promotes the availability of opportunities for people to be trained on a continuing basis.

Megachem is a certified "People Developer" organisation in Singapore. "People Developer" is a certification awarded by Spring Singapore to companies which have achieved excellence in human capital development. This niche standard provides us with a total approach to attracting, managing and engaging employees for high performance and aims to bring the best out of our people.

Career & Leadership Development

Our performance appraisal process has a development component that encourages employees to plan development that will help increase their performance and growth in their personal and professional development. In addition, to ensure a rewarding and fulfilling career at Megachem, the Company has in place a Mentorship Program where mentees are guided and coached by Mentors in professional developmental and personal growth.

Higher Learning Education Support

The Higher Learning Education ("HLE") program provides financial assistance to eligible employees who choose to further their professional education and training ("PET") that will enhance their knowledge and skills. This program provides reimbursement of eligible expenses for approved Diploma/Degree/Master/PhD certification programs related to employee's current or future job responsibilities.

Students and Graduates

Megachem welcomes Interns/Attachment students to embark on an exciting learning journey with challenging assignments and projects.

Fresh graduates are strongly encouraged to apply and join the Company as Management Trainees in their first step towards building a promising career.





CORPORATE INFORMATION

BOARD OF DIRECTORS

Sidney Chew Choon Tee (Executive Chairman & Managing Director)
Jeffrey Tan Bock Chia (Executive Director)
Chan Kam Loon (Lead Independent Director)
Lee Bon Leong (Independent Director)
Tay Kin Bee (Independent Director)
Toshiyuki Yokogawa (Non-Executive Director)

AUDIT COMMITTEE

Chan Kam Loon (Chairman)
Lee Bon Leong
Tay Kin Bee

REMUNERATION COMMITTEE

Tay Kin Bee (Chairman)
Lee Bon Leong
Chan Kam Loon

NOMINATING COMMITTEE

Lee Bon Leong (Chairman)
Chan Kam Loon
Sidney Chew Choon Tee

EXECUTIVE COMMITTEE

Sidney Chew Choon Tee (Chairman)
Jeffrey Tan Bock Chia
Chan Khai Leong
Francis Yau Thiam Hwa
Kwok Hwee Peng

COMPANY SECRETARIES

Toon Choi Fan
Kwok Hwee Peng

REGISTERED OFFICE

11 Tuas Link 1 Singapore 638588
Tel : (65) 6933 9999
Fax : (65) 6863 2818
Website: www.megachem.com

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898
Tel : (65) 6236 3333

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road #03-08
Wilkie Edge
Singapore 228095
Partner-in-charge: Eu Chee Wei David
(with effect from financial year ended 31 December 2012)

PRINCIPAL BANKERS

Citibank, N.A.
HSBC
Oversea-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

CONTINUING SPONSOR

SAC Capital Private Limited
1 Robinson Road #21-02 AIA Tower
Singapore 048542
Tel : (65) 6532 3829

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Email : dolores.phua@citigatedrimage.com

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Lynette Tan
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Megachem Limited
Francis Yau Thiam Hwa
Email : fsyau@sg.megachem.com

INVESTOR RELATIONS WEBSITE

www.megachem.com
www.shareinvestor.com

PERSONAL DATA PROTECTION OFFICER CONTACT

Megachem Limited
Woo Tze Yung
Email : tywoo@sg.megachem.com



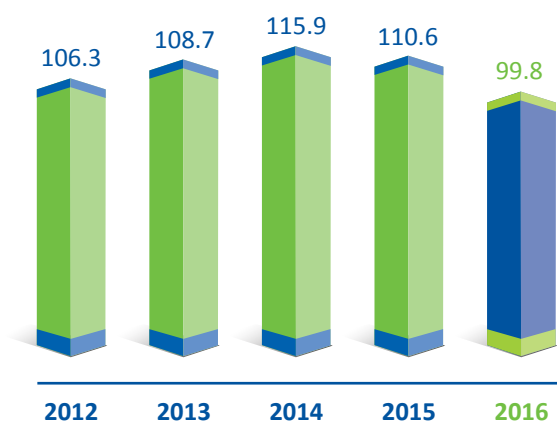
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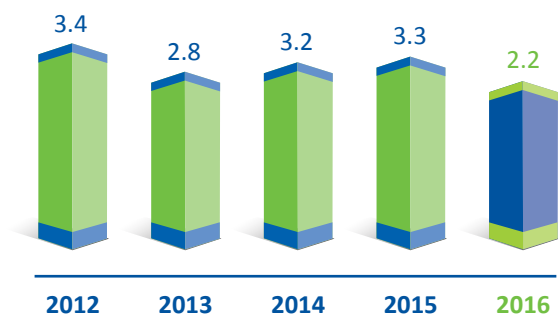


FINANCIAL HIGHLIGHTS

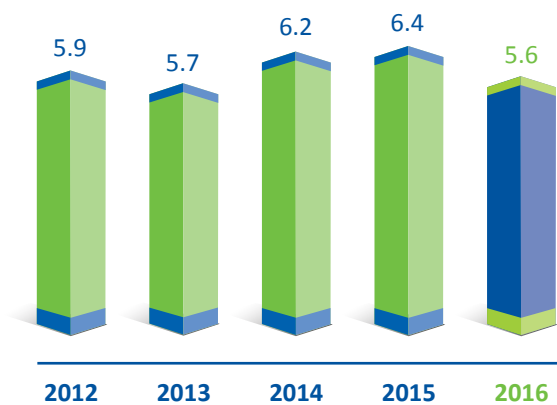
SALES (S\$'MIL)



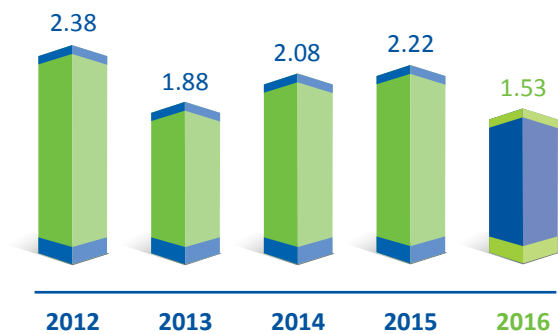
NET PROFIT AFTER TAX & BEFORE NON-CONTROLLING INTERESTS (S\$'MIL)



EBITDA (S\$'MIL)



EPS (CENTS)





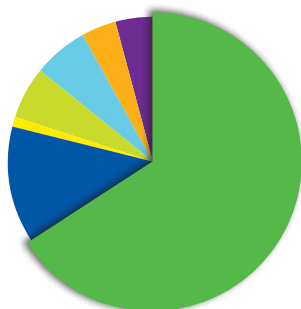
FINANCIAL HIGHLIGHTS

Profitability - Full Year	2012	2013	2014	2015	2016
Sales (S\$'mil)	106.3	108.7	115.9	110.6	99.8
Sales Growth (%)	-0.6%	2.3%	6.7%	-4.6%	-9.8%
Profit After Tax (S\$'mil)	3.4	2.8	3.2	3.3	2.2
Profit After Tax Growth (%)	-33.3%	-17.8%	14.6%	2.9%	-32.1%
Profit After Tax Margin (%)	3.2%	2.6%	2.8%	3.0%	2.2%
EBITDA (S\$'mil)	5.9	5.7	6.2	6.4	5.6
EPS (cents)	2.38	1.88	2.08	2.22	1.53
Weighted Average Number of Ordinary Shares (mil)	133.3	133.3	133.3	133.3	133.3
ROE (%)	7.9%	6.2%	6.6%	7.0%	4.9%

Profitability - Half-year	2012	2013	2014	2015	2016
Sales for first half (S\$'mil)	54.0	51.9	55.6	57.6	51.3
% Growth 1H vs 1H	-5.6%	-4.0%	7.3%	3.5%	-10.9%
Sales for second half (S\$'mil)	52.2	56.8	60.3	53.0	48.5
% Growth 2H vs 2H	5.3%	8.8%	6.1%	-12.1%	-8.5%
Profit After Tax for first half (S\$'mil)	2.1	1.5	1.1	1.5	0.9
% Growth 1H vs 1H	-32.4%	-26.3%	-24.7%	30.7%	-38.3%
Profit After Tax for second half (S\$'mil)	1.3	1.3	2.1	1.8	1.3
% Growth 2H vs 2H	-34.7%	-4.8%	61.5%	-12.6%	-26.9%

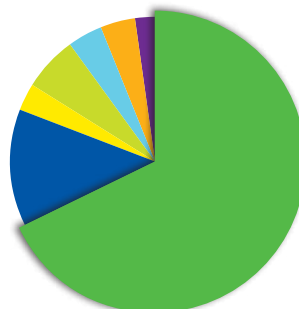
Financial Position	2012	2013	2014	2015	2016
Total Assets (S\$'mil)	72.3	74.7	83.3	77.7	73.2
Shareholders Equity (S\$'mil)	39.9	40.3	41.9	42.2	42.0
Net Asset/Share (cents)	29.90	30.24	31.45	31.65	31.50
Borrowings (S\$'mil)	16.0	17.7	21.9	18.3	15.3
Gearing ratio (times)	0.40	0.44	0.52	0.43	0.36
Cash (S\$'mil)	8.1	8.5	9.0	11.1	11.6
Current ratio (times)	2.05	1.76	1.74	2.07	2.30

GLOBAL MARKETS



2016

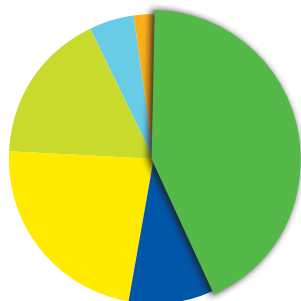
ASEAN	66%
N Asia	13%
America	1%
Europe	6%
S Asia	6%
Middle East	4%
Australia	4%



2015

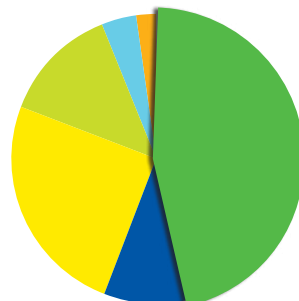
ASEAN	68%
N Asia	13%
America	3%
Europe	6%
S Asia	4%
Middle East	4%
Australia	2%

INDUSTRY COVERAGE



2016

Performance Coatings & Polymers	43%
Advanced Polymer Composites	10%
Surface Technology	23%
Biotech	17%
Oil & Gas	5%
Lifestyle	2%



2015

Performance Coatings & Polymers	46%
Advanced Polymer Composites	10%
Surface Technology	25%
Biotech	13%
Oil & Gas	4%
Lifestyle	2%



SUSTAINABILITY



At Megachem, we view Sustainability in terms of a shared responsibility towards improving not only our business but also our planet and our lives.

Today our world is confronted with unprecedented challenges such as climate change, scarcity of natural resources, human health and safety.

As a company we do not exist in a vacuum. We are part of the economic, environmental and social ecosystem. We will therefore work closely with all our stakeholders to enhance and integrate sustainability into our business models.

Every day, we shall strive with passion to make a lasting, positive difference in people's lives and embed this value into our corporate culture.

This report is a stamp of our commitment towards making a difference to our planet and our lives.
This is our Journey towards the Megachem Sustainability Vision.

*Chairman
Sidney Chew*

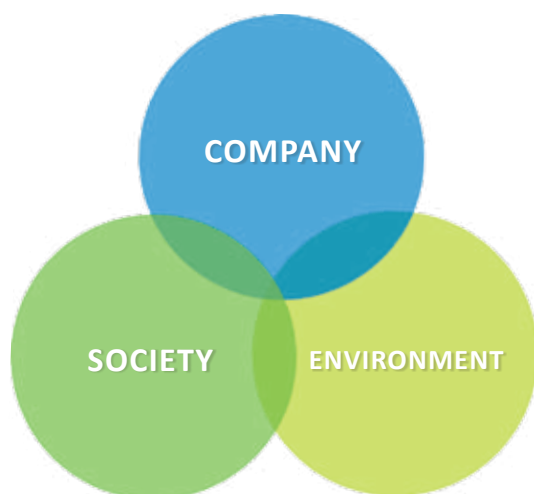
On behalf of Megachem's
Board of Directors



SUSTAINABILITY

ORGANISATIONAL PROFILE

Megachem Sustainability Vision

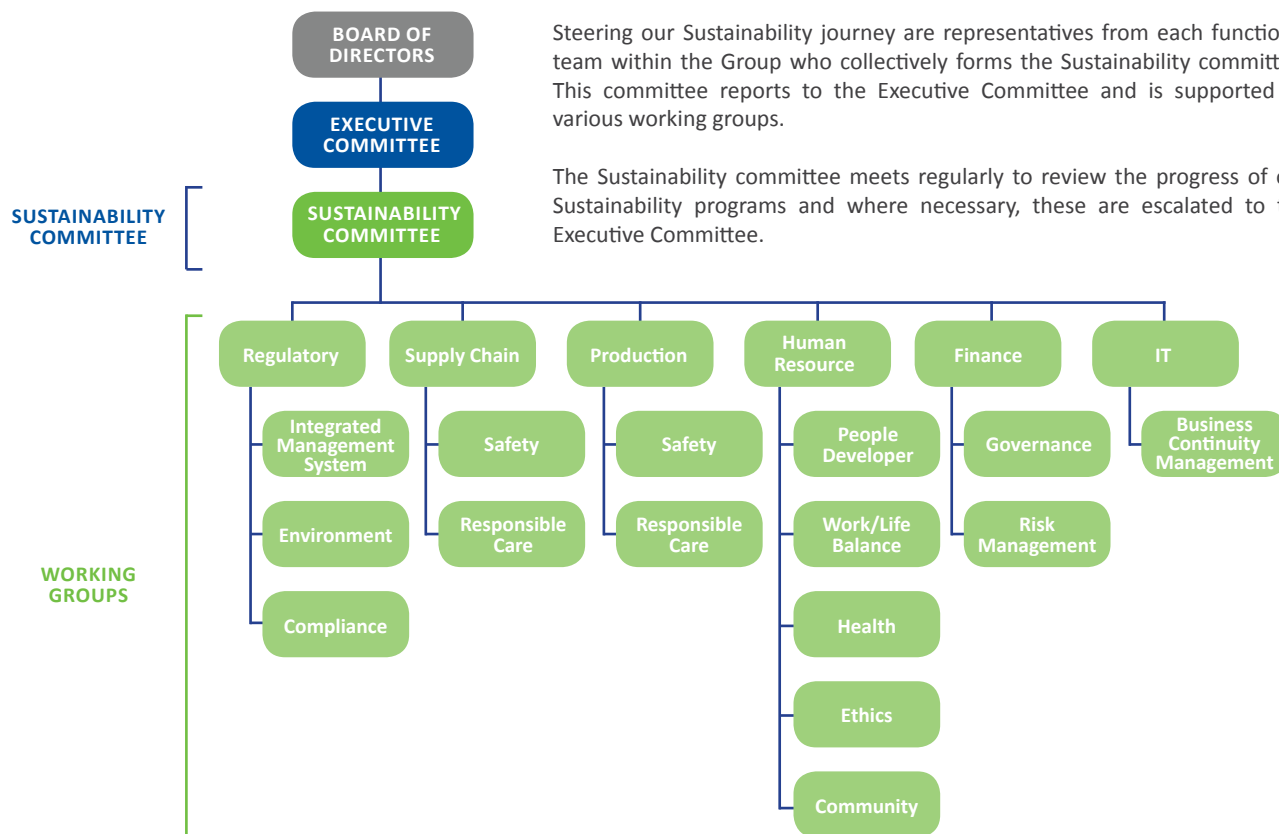


For Megachem, our Sustainability Vision is to align our economic success with environmental and social responsibility. We recognize that the environmental and social interaction with our community affect our long term organizational success and thus the need to manage not only corporate and financial performance but also the environmental and social impact of our business.

Guided by our Sustainability Vision, our objectives are to :

- achieve high standards of health and safety throughout our value chain,
- protect our environment,
- be a preferred employer by providing a working environment where people can feel a sense of belonging,
- adopt best business practices and comply with all rules and regulations,
- manage our risk to safeguard our economic sustainability, and
- be a responsible member of society.

Sustainability Leaders



Steering our Sustainability journey are representatives from each functional team within the Group who collectively forms the Sustainability committee. This committee reports to the Executive Committee and is supported by various working groups.

The Sustainability committee meets regularly to review the progress of our Sustainability programs and where necessary, these are escalated to the Executive Committee.



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