
INVESTMENT IN JIOS AEROGEL HOLDINGS PTE. LTD

INTRODUCTION

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 signed a Share Subscription Agreement to invest USD1 million (the “Investment”) in JIOS AEROGEL HOLDINGS PTE. LTD (“JIOS”). Concurrently our associated company, MEGACHEM (THAILAND) PUBLIC COMPANY LIMITED (“Megachem Thailand”), will also invest USD2 million in JIOS.

After the completion of the Investment, the shareholders of JIOS will be as follows:

Shareholders	% share
Founders	61.74%
Employees	7.77%
Yuanta Asia Growth Investment	7.78%
Owens Corning	8.58%
Megachem Ltd	0.79%
Megachem Thailand	1.59%
Others	11.75%
	100.00%

Coupled with our 36.19% share in Megachem Thailand, Megachem Limited will have an effective equity interest of approximately 1.37% in JIOS.

The Investment is subject to the successful completion of all relevant legal documentation.

INFORMATION ON JIOS

JIOS is an innovator in producing silica aerogels and thermal blades primarily for the electric vehicles industry. Through its unique technology of mitigating thermal runaway in batteries, it enhances the safety of electric vehicles.

RATIONALE

The Investment represents our venture into the rapidly growing electric vehicles industry, with a view of deriving potential benefits for our chemical distribution business through the supply of chemical raw materials to JIOS.

RULE 1006 RELATIVE BASES

Rule		Relative figures
1006(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	Not applicable
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits ⁽¹⁾ .	(4.7%)
1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares ⁽²⁾ .	3.6%
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable

Notes:

- (1) Based on net profit before tax of the Group for the half year ended 30 June 2023 amounting to S\$1,250,802 and 1.37% of the net loss before tax of JIOS for the half year ended 30 June 2023 which amounts to S\$58,009.
- (2) Based on aggregate consideration of USD1 million and 36.19% of USD2 million (exchange rate assumed at USD1 to SGD1.36) compared to the Company market capitalization of S\$65,983,500 based on the weighted average price of S\$0.495 as at 14 August 2023, being the last market day where the Company's shares were traded, preceding the date of the Share Subscription Agreement signed by the Company.

Catalist Rule 1007(1) states, inter alia, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 may still be applicable to the transaction in accordance with the applicable circumstances. As the relative figures computed under 1006(b) and 1006(c) are less than 5%, the Investment constitutes a non-discloseable transaction under Chapter 10 of the Catalist Rules. Notwithstanding that, the Company is making an announcement to keep shareholders updated of the Investment.

FINANCIAL EFFECTS

The 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 2023.

By order of the Board

Chew Choon Tee
Managing Director

13 September 2023

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 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 Bernard Lim (tel : (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.