

MEDIA RELEASE**For immediate release****ACROMEC reports surge in 2016 half-year revenue to S\$23m with substantial increase in net profit despite IPO expenses**

- Continues on growth path with strong order book
- Strong cash position to capitalise on opportunities ahead
- Interim dividend to reward new shareholders

SINGAPORE, 2 June 2016 - ACROMEC Limited (“ACROMEC”, or the “Company” and together with its subsidiary, the “Group”), an established specialist engineering service provider in the field of controlled environments serving mainly the healthcare, biomedical, research and academia sectors has today announced that it recorded a 187% surge in revenue to S\$23 million for the half-year ended 31 March 2016. The increase was mainly attributed to revenue progressively recognised on work carried out on its major projects, stemming from a strong order book. Accordingly, net profit attributable to shareholders leapt to S\$1.6 million from S\$0.5 million for the same period a year ago, despite having accounted for one-off Initial Public Offering (“IPO”) expenses during the period. Stripping out IPO expenses, the Group would have achieved net profit of S\$2.1 million for the half-year ended 31 March 2016, representing a four-fold increase from the same period last year.

In its inaugural results announcement since its listing on Catalist board of SGX-ST on 18 April 2016, the Group reported a sterling set of results with significant increase in both revenue and net profit. This was achieved on the back of a strong and healthy order book and its established track record as a competent and dependable controlled environment specialist. Earnings per share for the half-year ended 31 March 2016, calculated on an enlarged share capital after IPO, stood at 1.3 Singapore cent. The Directors have declared an interim dividend of 0.3 Singapore cent per share, which is more than 20% of its interim earnings, to show their confidence in the prospects of the Group and to reward new shareholders.

Commenting on the results, Mr Lim Say Chin, the Executive Chairman and Managing Director of ACROMECH, said: *“I am very pleased with the set of sterling results as it reflects the strength of our business and prospects in the sectors that we serve. We have done very well despite Singapore and the region experiencing slower growth, amid an uncertain macroeconomic environment. We will continually strive to consistently provide quality service that meets our customers’ needs and expectations.”*

Against a competitive landscape, the Group maintained stable gross profit margin this period. The Group would continue to manage its costs and drive productivity, amid a tight foreign labour market.

Strong Balance Sheet

Accompanying the improvement in profitability is its strong balance sheet. Net cash at 31 March 2016 remained strong at S\$10.3 million. This has not included the proceeds from the IPO as the IPO took place on 18 April 2016, which was subsequent to this interim reporting period ended on 31 March 2016. Market capitalisation was S\$55.9 million based on the closing share price of S\$0.465 as at 1 June 2016, a day before the release of the results announcement.

Strong Order Book

Following the IPO, the Group announced a series of contract wins in the healthcare and research sectors, and added a new customer in the healthcare industry. ACROMECH will continue to actively negotiate and bid for projects, and is hopeful that many will bear fruit. The Group’s order book as at the date of the results announcement stands strong at approximately S\$30 million.

Business Outlook and Future Plans

The outlook for the Group remains bright, fuelled by expected growth in the sectors that the Group serves. In healthcare, ACROMECH is optimistic of its prospects in view of the Singapore Government’s major plans to build more hospitals and medical facilities and refurbish existing facilities to cater to Singapore’s ageing population. In the biomedical, research and academia sectors, ACROMECH is encouraged by the Singapore Government’s bold initiatives and efforts to

transform Singapore into a research and development hub of the region. The Group believes that with its solid technical expertise and established track record in the controlled environments, it would stand to benefit from the opportunities arising from these plans and initiatives. Mr Lim said: ***“We are well positioned to capitalise on the numerous opportunities that present to us in the sectors that we serve, particularly the healthcare, biomedical, research and academia sectors. We will beef up our headcount progressively as and when the needs arise, to meet the increasing demand.”***

As part of its future plans, the Group is also exploring other viable business opportunities to expand its sources of revenues and incomes through acquisitions, strategic alliances, and/or joint ventures in opportunities that would be synergistic to its main activities. Mr Lim commented: ***“The reason to list is to grow the business. Growth can be also achieved through inorganic means. To this end, we are looking for business opportunities that will enhance value to our shareholders.”***

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This press release should be read in conjunction with the full SGX announcement released on 2 June 2016. A copy of the announcement is available on www.sgx.com.

This media release has been prepared by ACROMEC and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this media release.

This media release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.

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About ACROMECC Limited (SGX Stock Code: 1CH1)

ACROMECC is an established specialist engineering services provider with 20 years of experience in the field of controlled environments. The Group has over the years acquired expertise in the design and construction of facilities requiring controlled environments such as laboratories, medical and sterile facilities and cleanrooms.

ACROMECC's business is divided into two main business segments: (i) Engineering, procurement and construction services, specialising in architectural, and mechanical, electrical and process works within controlled environments; and (ii) Maintenance and repair services of facilities and equipment of controlled environments and their supporting infrastructure.

The Group mainly serves the healthcare, biomedical, research and academia, and electronics sectors. ACROMECC counts amongst its customers, hospitals and medical centres, government agencies, research and development companies or agencies, research and development units of multinational corporations, tertiary educational institutions, pharmaceutical companies, semiconductor manufacturing companies, and multinational engineering companies. For more information, please visit www.acromec.com.

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