

MEDIA RELEASE

For immediate release

ACROMECC's 80%-owned subsidiary Acropower drives foray into renewable energy with MOU to build organic waste-to-energy plant at Chew's poultry farm

- MOU signed by 80%-owned Acropower to build an energy plant, which will use the organic waste from Chew's poultry farm to generate electricity for sale back to the farm
- This project is a key milestone in ACROMECC's push into the renewable energy sector
- The BOO waste-to-energy plant will be built on Chew's future poultry farm site at Neo Tiew Road

SINGAPORE, 27 MARCH 2018 - ACROMECC Limited ("**ACROMECC**" or the "**Company**", and together with its subsidiaries, the "**Group**") today announced that its 80%-owned subsidiary Acropower Pte. Ltd. ("**Acropower**") has signed a memorandum of understanding ("**MOU**") with HL Plus Pte. Ltd. ("**HLP**") for Acropower to build, own and operate ("**BOO**") an organic waste-to-energy plant (the "**Plant**") on the future poultry farm site of Chew's Agriculture Pte Ltd ("**CAPL**") at Neo Tiew Road, off Lim Chu Kang ("**Chew's Farm**").

Acropower is a 80:20 venture with Malaysian alternative energy specialist Green Energy Resources (M) Sdn Bhd ("**GER**"). HLP is in the process of acquiring the total issued and paid up share capital of CAPL.

The MOU was drafted with a win-win objective in mind for both parties. Under the MOU, CAPL will be able to dispose of its waste at much lower cost. To this end, it is intended for CAPL to deliver an estimated 70 tonnes of chicken manure to the Plant daily for Acropower to treat and convert into biogas which, in turn, will be used to generate electricity. Acropower will benefit from its sale of electricity back to the farm at a rate no higher than what Singapore Power currently charges.

Pursuant to the MOU, it is intended for Acropower to BOO and maintain the Plant at its own costs and CAPL will charge Acropower an annual rental fee, at rates to be negotiated between both parties.

This MOU on building a waste-to-energy plant in Chew's farm signifies a key milestone in ACROMECC's renewable energy journey. This journey started back on 1 February 2018, where ACROMECC signed a MOU with GER to harness the synergy of their respective expertise in controlled environments and green energy. This was followed by the setting up of Acropower on 13 March 2018 to take further steps towards the success of the collaboration.

Mr Lim Say Chin, Executive Chairman and Managing Director of ACROMECC said that with the proposed project at its doorstep, ACROMECC's advancement into the renewable energy sector "*is progressing as planned and is the culmination of recent steps taken to realise the Company's renewable energy strategy*".

He added: "*This takes our renewable energy strategy one step further. Barring unforeseen circumstances, we are confident that the MOU will yield definitive sale and purchase agreements. Our strategy is aligned with the Singapore government's aim to promote renewable energy, as can be seen in the recent Carbon Tax proposed in Budget 2018. We therefore also hope to replicate our*

renewable energy model across Singapore and the region and be a partner in this renewable energy drive”

The MOU is subject to, amongst other things, the execution of the definitive agreements in relation to the above and there is no certainty or assurance that the definitive agreements will be entered into or that the project will take place. The Company will make the necessary announcements as and when there are material developments to the above matter and other matters 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, pharmaceutical, 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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This media release has been prepared by ACROMECC 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.

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