

**MEDIA RELEASE****For immediate release****ACROMECC's Renewable Energy Strategy Bears Fruit with LOI for Construction of Waste-to-Energy Plant**

- **80%-owned Acropower inks letter of intent with Chew's Agriculture for construction of waste-to-energy power plant at Chew's premise**
- **Chew's farm will supply chicken manure to Plant and purchase electricity produced at competitive rates from Acropower for fifteen years**
- **Renewable energy sector will provide recurring income and expand the horizon of ACROMECC's value chain of controlled environments engineering business**

**SINGAPORE, 4 December 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 binding letter of intent ("**LOI**") with Chew's Agriculture Pte Ltd ("**Chew**") to build-own-operate a waste-to-energy power plant ("**Plant**") using chicken manure as feedstock.

This LOI stipulates that Chew will supply chicken manure to Acropower and in return buy electricity from Acropower for a period of fifteen years at a competitive price of no more than a 10% discount to the prevailing Energy Market Authority electricity tariff rate. Chew shall at all times purchase its new farm's electricity requirements from Acropower. The Plant will be built on Chew's upcoming new farm as it relocates to Neo Tiew Road, off Lim Chu Kang.

For a start, Chew will commit to purchase at least 0.5 MWH, with scalability, should the new farm ramp up its egg production beyond the level of production of its existing farm. Currently, the infrastructure at the new farm has already catered for higher production levels than its current farm.

Separately, the Group is currently also in talks for another contract with Chew on its new farm's construction and is cautiously optimistic in reaching a final settlement in due course. For the avoidance of doubt, the aforesaid contract with Chew will be in the existing ordinary course of business of the Group. Further announcements will be made as and when appropriate.

Commenting on the LOI, **Mr Lim Say Chin, Executive Chairman and Managing Director of ACROMECC** said, "We are extremely encouraged by the trust that Chew has in us. This LOI is an important first step in our drive into the renewable energy business. It has expanded the horizon of our value chain for our controlled environments engineering business, and will differentiate us from our competitors."

The Group has been working on its expansion and diversification strategy into the renewable energy sector which it believes will provide sustainable revenue and income streams for the Group. In the earlier part of the year, the Company has incorporated an 80%-owned subsidiary, Acropower, to spearhead this initiative.

With this, the Group will step up its efforts in the coming financial year to grow its renewable energy business. A separate team has been dedicated, together with its green energy partner, Green Energy Resources (M) Sdn Bhd, to see this through.

Mr Lim added that the Singapore government has a goal of reducing carbon emissions from electricity generation. This is detailed in the National Climate Change Secretariat's ([www.nccs.gov.sg](http://www.nccs.gov.sg)) Climate Action Plan, which includes plans for the implementation of a carbon tax from 2019<sup>1</sup>.

Companies using renewable energy will not only have a smaller carbon footprint, but will also have lower operating costs. Therefore, barring unforeseen circumstances, the Company believes that the renewable energy segment has tremendous potential for growth.

The Company will make further announcements when there are material updates to the LOI and the farm construction contract via SGXNet as and when appropriate.

**-- End --**

*This press release is to be read in conjunction with the announcement on SGXNet dated 4 December 2018.*

<sup>1</sup> <https://www.nccs.gov.sg/climate-change-and-singapore/reducing-emissions/carbon-tax>

**About ACROMECH Limited (SGX Stock Code: 1CH1)**

ACROMECH is an established specialist engineering services provider with more than 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.

ACROMECH'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, pharmaceutical, biomedical science, research and academia, and electronics sectors. ACROMECH 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.ACROMECH.com](http://www.ACROMECH.com).

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*This press release has been prepared by the Company 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**").*

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