

MEDIA RELEASE**For immediate release****ACROMECH 80%-Owned Subsidiary Acropower Signs Agreement with Chew's Agriculture Pte Ltd ("CAPL") to Build-Own-Operate a Waste-to-Energy Power Plant.**

- Facility will be situated at CAPL's poultry farm in Neo Tiew Road
- CAPL will supply its poultry waste to Acropower to convert into biogas for use in generating electricity
- CAPL will purchase the electricity generated by the Facility at agreed prices
- 15-year Agreement expected to give ACROMECH a long-term recurring income stream
- Business model and technology is replicable and has potential for export to the region's farms

SINGAPORE, 21 May 2019 - ACROMECH Limited ("**ACROMECH**", or the "**Company**" and together with its subsidiaries, the "**Group**"), an established specialist engineering service provider in the field of controlled environments serving mainly the healthcare, pharmaceutical, biomedical science, research and academia sectors, today announced that its 80%-owned subsidiary Acropower Pte. Ltd. ("**Acropower**") has signed an agreement ("**Agreement**") with CAPL for Acropower to build, own and operate a waste-to-energy power plant (the "**Facility**") that will convert poultry waste into energy.

The Facility will be built on CAPL's new farm as it relocates to Neo Tiew Road, off Lim Chu Kang (the "**Farm**").

The Agreement stipulates that the Facility will process and convert waste from the Farm into biogas for use in generating electricity, which will then be supplied back to the Farm for a period of fifteen years at no more than a 10% discount to the prevailing Energy Market Authority electricity tariff rate. CAPL shall at all times purchase the Farm's electricity requirements from Acropower.

The Agreement is expected to result in a diversification of the Group's business into the renewable energy sector, and will be subject to the approval of its shareholders in a general meeting to be convened in due course. Conditional upon obtaining all shareholders' and other internal corporate approvals required, construction of the Facility is expected to be completed by 31 March 2020.

The Agreement is not expected to have any material impact on the consolidated net tangible assets and earnings per share of the Group for the financial year ending 30 September 2019.

At the initial stages, the Facility is committed to supply to the Farm no less than 0.5 megawatts per hour based on processing the daily waste produced by 600,000 egg-laying chickens (“**Layers**”), although it will have the capacity to provide up to 0.8 megawatt per hour on a daily basis based on processing the daily waste produced by up to 720,000 Layers.

The Agreement further binds CAPL to scale up its initial production size within five years beyond 720,000 Layers, but not exceeding 1,500,000 Layers. Barring unforeseen circumstances, this is expected to increase the income stream of Acropower as CAPL consumes more electricity generated by the Facility in its expansion. Currently, the infrastructure at the Farm has already catered for higher production levels from the initial production size.

Commenting on the Agreement, **Mr Lim Say Chin, Executive Chairman and Managing Director of ACROMECH** said, ***“This project is a win-win situation for both parties. Disposal of animal waste is a costly issue for farms, and by converting it into energy, ACROMECH is expected to benefit from an economic view point and will also be contributing towards protection of Singapore’s environment.”***

The project will expand the horizon of our value chain for our controlled environments engineering business, and will differentiate us from our competitors. Our expertise in controlled environments engineering is important for the process of converting the poultry waste into biogas fuel to generate electricity.

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.

Further details of the Agreement will be provided in the Company’s circular to be despatched to shareholders in due course. The Company will also make further announcements in relation to the above as and when appropriate.

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This media release is to be read in conjunction with the Company’s announcement on SGXNET on 21 May 2019.

About ACROMECC Limited (SGX Stock Code: 1CH1)

ACROMECC 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.

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, pharmaceutical, biomedical science, 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.ACROMECC.com.

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*This media release has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It 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 media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

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