

ACROMEK LIMITED

(incorporated in the Republic of Singapore)
(Company Registration Number: 201544003M)
(the “Company”)



FORMALISATION OF JOINT VENTURE TO BUILD-OWN-OPERATE WASTE-TO-ENERGY PLANT

Capitalised terms used herein shall have the definitions ascribed to them in the announcement dated 10 September 2020 (the “Announcement”), unless defined otherwise herein.

The Board is pleased to announce that the Group has today formalised the joint venture between its subsidiary, Acropower Pte. Ltd. (“**Acropower**”) and Nutara Investment Pte. Ltd. (the “**Investor**”), together with Acropower are collectively referred to as, the “**Parties**”), with the completion of the Subscription by both Parties of new shares in the share capital of the joint venture entity, Neo Tiew Power Pte. Ltd. (the “**JVCo**”).

The current shareholding structure of the JVCo and amount of shareholder’s loans to be provided to the JVCo are as follows:

	<u>Shareholdings in JVCo</u>		<u>Loans to JVCo</u>	<u>Total Investment</u>
Acropower	1,610,000 shares	(70%)	S\$ 5,000,000	S\$ 6,000,000
Investor	690,000 shares	(30%)	S\$ 2,700,000	S\$ 4,000,000
Total	2,300,000 shares	(100%)	S\$ 7,700,000	S\$10,000,000

The joint venture agreement executed by the Parties on 10 September 2020 has accordingly come into effect today, and will moving forward regulate the relationship of the Parties *inter se* as shareholders of the JVCo. Further details can be found in the Announcement. For the purposes of Completion, the Parties have amended and restated the shareholder’s loan agreements to provide for interest to be payable on a half-yearly basis, on the last business day of June and December respectively, and these shareholder’s loan agreements have also come into effect today.

The Parties have separately agreed that the Facility shall be delivered and transferred to the JVCo by no later than 31 March 2021 (instead of prior to Completion as previously announced). The delivery of the Facility would be pursuant to a Purchase Order, which was issued by the JVCo and accepted by Acropower today. In lieu of a performance guarantee, Acropower and the Company have committed to *inter alia* allowing the Investor to exit no later than 30 June 2024, at a discount of S\$300,000 to its total investment, if the JVCo becomes insolvent or is unable to meet certain agreed financial performance benchmarks for the financial year ending 30 September 2023, on the terms set out in a commitment letter executed by the Company, Acropower, the JVCo and the Investor today. Upon the Investor exercising this right to exit, Acropower is obliged to purchase all the Investor’s shares on JVCo, and repay to the Investor all amounts owed to the Investor under the Investor Loan Agreement, and the Company has guaranteed Acropower’s performance of the obligations.

Further announcements on the Joint Venture will be made as and when there are material updates.

By Order of the Board

Lim Say Chin
Executive Chairman and Managing Director
26 November 2020

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (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 document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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