

MEDIA RELEASE

For immediate release

ACROMEC continues advancement into sustainable energy business through MOU to build another waste-to-energy plant

SINGAPORE, 11 February 2020 – 80%-owned subsidiary, Acropower Pte Ltd (“**Acropower**”), of Catalist-listed specialist engineering firm ACROMEC Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), has on 11 February 2020 entered into a memorandum of understanding (“**MOU**”) with a third party (“**Potential Customer**”), to explore the possibility of building a waste-to-energy plant at the Potential Customer’s wood chip processing farm in Singapore.

The Potential Customer’s core business is in landscaping and its related activities, including the processing of wood waste into wood chips. The Potential Customer’s business currently faces constraints on its power supply infrastructure, which is powered by diesel generators. These constraints are a major hinderance towards its business expansion plans.

With the MOU, Acropower, which specialises in the use of alternative energy sources such as biomass, intends to build a waste-to-energy plant (“**Plant**”) on the Potential Customer’s premises. Acropower intends to use this Plant to convert wood chips which is sourced at the farm into biogas, which will in turn be used to generate electricity to be sold back to the Potential Customer. This concept is similar to Acropower’s current waste-to-energy plant project at Chew’s Agriculture Pte Ltd’s farm.

Said Mr Lim Say Chin, Executive Chairman and Managing Director of the Group, “*We are pleased to enter into this MOU for the potential construction of our second waste-to-energy plant, as the sustainable energy industry is starting to gain recognition and importance in Singapore and the region. This is encouraging for the Group as it continues to make inroads into the industry. Additionally, our green projects are tangible steps towards protecting our environment, which we hold dear. It is also in line with the Singapore government’s national agenda of promoting renewable energy and reducing greenhouse gas emissions.*”

The MOU is valid for a period of six months from 11 February 2020, with an eventual view of both parties signing a definitive agreement. During this period, the Potential Customer shall

enter into discussions with Acropower and both parties are not permitted to enter into any discussions or negotiation with any other party concerning the construction of the Plant.

Shareholders and potential investors are reminded that, at this juncture, there is no assurance as to whether the proposed construction of the Plant will materialise, or whether it will proceed on the terms presently stated in the MOU. Shareholders and potential investors should consult their own legal, financial, tax and other professional advisers if they are in doubt as to any action they should take.

The Company will make further announcements via SGXNet when there are material updates on this matter, as and when appropriate.

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About ACROMEC Limited (SGX Stock Code: 1CH1)

ACROMEC 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.

ACROMEC'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. ACROMEC 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 the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGXST**") Listing Manual Section B: Rules of Catalyst.*

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