

ACROMEC begins its FY2017 with S\$7.0m contract win

- Nominated sub-contractor for National Centre for Infectious Diseases' BSL3 laboratory with a contract value of S\$7.0m
- Additional optional S\$1.8m of mechanical, electrical and equipment maintenance and servicing works exercisable by customer
- Contract win brings cumulative order book to approximately \$\$49 million

SINGAPORE, [19] October 2016 - ACROMEC Limited ("ACROMEC", or the "Company" and together with its subsidiary, the "Group"), an established specialist engineering service provider in the field of controlled environments serving mainly the healthcare, biomedical, research and academia sectors has today won a controlled environment contract totalling S\$7.0 million. The contract is for the fitting-out of a Biosafety Level 3 ("BSL3") laboratory for the Singapore Government's National Centre for Infectious Diseases ("NCID") and is expected to be completed by the 2nd quarter of the next financial year ending 30 September 2018.

The announcement of this contract win comes just days after the Company begins its new financial year from 1 October 2016 ("FY2017"). An additional amount of approximately S\$1.8 million for a maintenance and servicing package is exercisable by the customer before the defects liability period expires which is one year from completion.

NCID is set to emerge as a Centre of Excellence for clinical care, surveillance, training and research in infectious diseases and be a regional centre of reference. It is a purpose-built facility with both isolation and cohort wards and well-designed negative pressure rooms to tackle infectious diseases. BSL3 is one of the highest level of bio-containment in Singapore where stringent containment controls are required as research work is carried out on potentially lethal diseases. As such, it requires amongst others, complex and intricate mechanical systems and air filtration techniques. We are proud to be awarded this contract as a testament of NCID's confidence in us.

Mr Lim Say Chin, Executive Chairman and Managing Director of ACROMEC, commented: "We are honoured to be appointed the contractor for the construction of NCID's BSL3 laboratory. We are glad that we have gained recognition for our capability to meet the high specifications demanded for the outfitting of a BSL3 laboratory."

In addition to the outfitting of the BSL3 laboratory, the Company has also offered an ancillary aftersales maintenance and servicing package totalling approximately \$\$1.8 million whose works are to be carried out over 5 years. The maintenance contract will provide the Company a recurring income stream which augments its project-based revenue.



The Company has a healthy order book which currently stands at approximately S\$49 million as at date of this announcement.

This contract win will contribute to the revenue of the Group, and is expected to have a positive impact on the earnings per share and net tangible asset per share of the Group in FY2017.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the above contract, other than through their respective shareholdings in the Company.

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About ACROMEC Limited (SGX Stock Code: 1CH1)

ACROMEC 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.

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, 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 <u>www.acromec.com</u>.

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