



## **FOR IMMEDIATE RELEASE**

### **MESTRON VENTURES INTO COVID-19 VACCINE DISTRIBUTION**

Kuala Lumpur, 29 January 2021 - Steel pole maker Mestron Holdings Berhad (“Mestron”, Bloomberg: MESTRON:MK, Reuters: MEST.KL) has entered into a Head of Agreement (“HOA”) with China-based Zhongyu Yexing (Chengdu) Industrial Co., Ltd. (“Zhongyu”) ( “中宇晔兴（成都）实业有限公司” ) for distribution of Covid-19 vaccine in Malaysia.

Zhongyu is part of Sino Pharma Group of Companies (“Sinopharm”) (“中国医药集团有限公司”). The Company is mainly involved in the sale, distribution, marketing and promotion of the Covid-19 vaccine and other medical and pharmaceutical products. It is one of the authorised distributor for Sinopharm’s China National Biotech Group (“CNBG”) Covid-19 vaccine.

Sinopharm is engaged in sale of medical supplies and equipment and a subsidiary of China National Pharmaceutical Group Corporation, a large Chinese state-owned healthcare group.

Pursuant to the HOA, Mestron and Zhongyu have jointly agreed to commence discussions and negotiations exclusively in good faith the details on the structure and terms of the proposed collaboration.

Both parties are expected to finalise and enter into a definitive agreement within 30 days upon completion of the discussions and negotiations.

Mr Por Teong Eng (傅長榮) Managing Director of Mestron said the Company had obtained clearance letter from the Ministry of Health to commence negotiation and cooperation with any companies from China for the importation, distribution, sale, marketing, use and application of the Covid-19 vaccine in Malaysia.

“We are currently in the midst of negotiating with Zhongyu on the details of our potential collaboration. Once we have firmed up the terms, we will submit an application to the National Pharmaceutical Regulatory Agency (“NPRA”) to register and get approval for the distribution of Covid-19 vaccine in Malaysia.

“Zhongyu, on the other hand, will provide all support to ensure Mestron obtains NPRA’s approval for the registration and distribution of Sinopharm CNBG Covid-19 vaccine in Malaysia.

“Once we have obtained all the necessary approval, Zhongyu will supply the vaccine at preliminary estimation of three (3) million doses (1.5 million sets) to Mestron in stages,” he added.

Mestron is expected to invest up to RM20 million for this business venture, which will be funded via internally generated funds, bank loans and proceeds from private placement.

The HOA is not expected to have any material effect on the earnings per share, net assets per share, gearing, issued and paid-up share capital of Mestron but is expected to contribute positively towards the future earnings of the Group.

### **About Mestron Holdings Berhad (Mestron)**

Established in 2002, Mestron is primarily involved in manufacturing of street light pole and has since expanded into producing decorative light pole, telecommunication monopole and specialty pole for oil & gas, CCTV and smart industry. The company is also involved in trading and distribution of lighting products.

Some of its on-going projects include East Klang Valley Expressway (EKVE), West Coast Expressway (WCE), Iskandar Coastal Highway, Central Spine Road (CSR), Karbala Oil Refinery Project in Iraq and many others.

Mestron had recently ventured into renewable energy sector via its joint venture agreement with Samdo Smart Solar (M) Sdn Bhd to jointly procure the completion of service of engineering, procurement, construction and commissioning (EPCC) for 6 solar power systems for telecommunication towers in peninsular Malaysia.

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**Issued on behalf of Mestron Holdings Berhad**

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