

Mestron Holdings Berhad ("Mestron" or "the Company")

- Supply Agreement entered between Mestron Engineering Sdn. Bhd., a wholly-owned subsidiary of the Company and Tamaco Pole Manufacturing Pte Ltd

1. INTRODUCTION

The Board of Directors of Mestron wishes to announce that its wholly-owned subsidiary, Mestron Engineering Sdn Bhd ("**MESB**" or "**Supplier**") had on 25 October 2023 entered into a Supply Agreement with Tamaco Pole Manufacturing Pte Ltd ("**Tamaco Pole**" or "**Purchaser**") (the "**Agreement**") to supply steel poles related products ("**Products**") for a total price of SGD 1,506,671.00 (equivalent approximately RM5.28 million) subject to the terms and conditions stipulated in the Agreement.

MESB and Tamaco Pole are collectively referred to as "**Parties**" and individually as "**Party**".

2. INFORMATION OF THE PARTIES

2.1 MESB

MESB was incorporated in Malaysia on 10 September 2002 as a private limited company under the Companies Act, 1965. MESB is principally involved in manufacturing of steel pole and related accessories as well as trading of outdoor lighting products, renting and operational leasing of other machinery and equipment and trading in solar and all the related products.

As at the date of this announcement, the issued share capital of MESB is RM2,500,000.00 comprising of 2,500,000 ordinary shares.

MESB is a wholly-owned subsidiary of Mestron. The directors of MESB are Por Teong Eng and Loon Chin Seng.

2.2 Tamaco Pole

Tamaco Pole was incorporated in Singapore on 6 February 2007 as an exempt private limited company and principally involved in supply of lighting steel pole related business and consultancy advisory services.

As at the date of this announcement, the issued share capital of Tamaco Pole is SGD 100,000 comprising of 100,000 ordinary shares.

The sole director of Tamaco Pole is Jeffrey Goh Lye Poh.

3. SALIENT TERMS

3.1 PRICE AND PAYMENT OF THE PRODUCTS

- (i) The Parties agree that the total purchase price for Products shall be Singapore Dollars: One Million Five Hundred Six Thousand Six Hundred Seventy-One Only (SGD 1,506,671.00) (equivalent approximately RM5.28 million) ("**Purchase Price**").

- (ii) The Purchaser shall pay the Purchase Price to the Supplier in the payment milestone and manner set out in the Agreement.
- (iii) Wherever in the Agreement provision is made for the payment by one party to the other Party, unless otherwise stated in the Agreement, such payment shall be effected by electronic transfer of funds to the designated bank account of the other Party. For the purpose of the Agreement, a payment shall be deemed made upon the payor providing to the payee a written confirmation that an irrevocable payment instruction has been issued with respect to such payment by the payor to the payee, provided that the payment is subsequently received in the designated bank account in accordance with customary funds transfer process.
- (iv) As payment security, the Supplier shall be entitled to request for the Purchase to provide a guarantee by its director(s) or shareholder(s) or any other agreed security, in an amount equivalent to the Purchase Price, which shall be provided to the Supplier within the timeline stipulated by the Supplier.

3.2 DELIVERY

The Supplier shall deliver and ship the Products to the Purchaser at location to be mutually agreed.

3.3 DEFAULT BY PURCHASER

Without prejudice to any rights and remedies of the Supplier pursuant to the Agreement, in the event that there is a breach of any terms or conditions of the Agreement or a failure to perform or observe any undertaking, obligation, warranties and representations or agreement in the Agreement by the Purchaser, then the Supplier shall be entitled to:

- (i) enter upon the premises where such Products are located and take immediate possession of the Products;
- (ii) seek specific performance of the Agreement in which case the Supplier shall be entitled to take such action as may be available to the Supplier at law to enforce specific performance of the Agreement against the Purchaser and all other legal remedies available to the Supplier as may be determined by the court;
- (iii) terminate the Agreement and in such event, the Purchaser shall indemnify the Supplier and keep the Supplier indemnified against all direct and indirect damages, losses, fees and costs (including, without limitation, professional, accounting and legal cost) incurred by the Supplier, in connection with the Agreement.

3.4 TERMINATION

- (i) Each Party reserves the right to terminate the Agreement if the other Party, subject to a notice period of 14 days given to the other Party:
 - (a) a petition for winding up is presented against the any of the Parties and/ or a petition for bankruptcy is presented against any of the Parties;
 - (b) an order is made or a member's resolution is passed for the winding up of any of the Parties;

- (c) an administrator, a receiver and/or manager is appointed by the court or pursuant to any statute or regulation or by any creditor pursuant to a debenture or any other security document in favour of such creditor over the undertaking, assets and properties of the Parties or any part of the Parties' assets and properties; or
 - (d) an event analogous to any of the provisions above has occurred in any jurisdiction; or
 - (e) the occurrence of the Force Majeure.
- (ii) Termination of the Agreement shall not affect the respective rights and obligations of the Parties accrued and arising prior to the termination of the Agreement.

4. **FINANCIAL EFFECTS**

The Agreement is expected to contribute positively to the earnings and earnings per share of the Company for the financial year ending 31 December 2023. The Agreement will not have any effect on the issued share capital and the shareholding of the substantial shareholders of the Company.

5. **RISK FACTORS**

Save for the normal operational risks, the Board of Directors of Mestron is not aware of any other risk factors which may arise from the Agreement.

6. **APPROVALS REQUIRED**

The Agreement is not subject to the approvals of the shareholders of Mestron and/or any relevant regulatory authorities.

7. **DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

None of the Directors, major shareholders and/or person connected to them has any interest, whether direct or indirect, in the Agreement.

8. **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors of Mestron is of the opinion that the Agreement is in the best interest of the Company.

This announcement is dated 25 October 2023.