

MALAYSIA CORPORATE

K-One to make syringe safety needle caps for worldwide distribution

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KUALA LUMPUR (Oct 6): K-One Technology Bhd has inked a licence agreement with UK-based medical technology firm Star Syringe Ltd to manufacture syringe safety needle caps in Malaysia for worldwide distribution.

The group said it would be entitled to manufacture the syringe safety needle caps in Malaysia on an exclusive basis on condition that there will be a volume production of 100 million units per annum within the next 24 months.

The World Health Organization estimates that about 16 billion injections are administered worldwide.

“The indicated large market size is expected to be further amplified when the Covid-19 vaccine is commercially launched between this year-end and the first half of 2021, as claimed by various reputable vaccine producers throughout the world,” said K-One in a filing with Bursa Malaysia.

K-One said the licensee may request for extension, but it would be up to the sole discretion of the licensor to permit any extension.

The group expects to commence manufacturing the syringe safety needle caps by end of first quarter of 2021, barring unforeseen circumstances.

The costs in making the moulds, purchase of dedicated machines and associated setting up expenditure for the manufacture of the syringe safety needle caps are estimated to be about RM6 million, which will be funded through internally generated funds.

The manufacturing will be conducted in its ISO 13485 certified and US Food & Drug Administration as well as Malaysia’s Medical Device Authority registered facility, said K-One.

For overseas sales, K-One said it will appoint distributors in identified markets with significant potential such as the US, Canada, UK, Germany, France, Australia, Indonesia, India, China and Japan in its initial marketing programme.

Concurrently, it also intends to work with major syringe producers in the world for bundling with their syringes.

As the manufacturing and sales are anticipated to commence in 2021, K-One said it is expected to contribute positively to the group’s earnings.

Shares of K-One closed unchanged at 37.5 sen today, valuing the group at RM293.52 million. Year to date, the counter has risen by 87.5% from 20 sen.

Edited by S Kanagaraju