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## MBV INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1957)

### DISCLOSEABLE TRANSACTION

## SUPPLEMENTAL AGREEMENT OF ACQUISITION OF LAND LOCATED IN MALAYSIA

### INTRODUCTION

Reference is made to the announcement of the Company dated 11 March 2021 (the “**Last Announcement**”) in relation to the Sale and Purchase Agreement (the “**SPA**”) entered into between Oren Sport and Vendors pursuant to which Oren Sport agreed to acquire the Land for building a new warehouse to increase the Company’s capabilities of keeping adequate inventory for the expanded product portfolio. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Last Announcement.

### SUPPLEMENTAL AGREEMENT

The board of directors (the “**Board**”) wishes to announce that on 4 March 2022 (after trading hours), Oren Sport has entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Vendors under which the parties agreed to: (1) to extend conditional period to obtain the Conversion Approval by 6 months until 11 September 2022; (2) Purchaser to make further deposit payment of 20% of the Purchase Price; and (3) Purchaser to additionally pay for the interest on the outstanding Purchase Price accrued from 25 August 2021 to 11 September 2022. Save as aforesaid, all other terms and conditions contained in the SPA remain unchanged and continue to be in full force and effect.

### IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under the Listing Rules in respect of the Acquisition exceed 5% but are all below 25%, the entering into of the SPA and the Supplemental Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing

### INTRODUCTION

Reference is made to the announcement of the Company dated 11 March 2021 in relation to the SPA entered into between Oren Sport and Vendors pursuant to which Oren Sport agreed to acquire the Land at a consideration of RM23,590,570 (equivalent to approximately HK\$43,878,460). The Land is intended to be used for building a new warehouse to increase the Company’s capabilities of keeping adequate inventory for the expanded product portfolio. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Last Announcement.

The Board is pleased to announce that on 4 March 2022, Oren Sport has entered into a supplemental agreement with the Vendors as detailed below.

#### **PRINCIPAL TERMS OF THE SUPPLEMENTAL AGREEMENT**

Date: 4 March 2022

Vendors: Cheng Tay Chin and Tay Hau Tat

Purchaser: Oren Sport

Subject Matter: Both Vendors and Purchaser have agreed to extend conditional period to obtain the Conversion Approval by 6 months, from 11 March 2022 (the original expiry date under the SPA) to 11 September 2022, subject to following conditions fulfilled on or before 11 March 2022:

- (a) an amount of RM4,718,114 (equivalent to approximately HK\$8,775,692), being 20% of the Purchase Price, shall be further released by the Purchaser to the Vendors from the outstanding Purchase Price; and
- (b) an additional amount of approximately RM1,044,707 (equivalent to approximately HK\$1,943,157), being the interest at 6% per annum on the outstanding Purchase Price, shall be paid by the Purchaser to the Vendors to compensate for the delay of the transaction. The Vendors will refund the portion of the interest not yet accrued (if any) within 14 days from the date of completion.

If the Conversion Approval is not obtained on or before 11 September 2022, or the State Approval is not obtained within 6 months from the date of obtaining Conversion Approval and a Malaysian Buyer as replacement buyer is not nominated, the SPA will be terminated, and the total deposit amounts paid (being RM9,436,228, equivalent to approximately HK\$17,551,384, or 40% of the Purchase Price) to the Vendors will be forfeited.

Save as amended by the Supplemental Agreement aforesaid, all other terms and conditions contained in the SPA remain unchanged and continue to be in full force and effect.

#### **REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT**

As disclosed in the Last Announcement, the transaction will be subject to conditions, among others, to obtain a Conversion Approval from the Relevant Authorities for the change of land use category within 12 months from the date of SPA (i.e. no later than 11 March 2022).

Due to the COVID-19 pandemic deterioration in Malaysia, Malaysia government implemented a nationwide lockdown during the period from 1 June 2021 to 10 August 2021, which had distorted the review and approval process of land conversion application. Furthermore, due to the unexpected

dissolution of the Johor State Assembly in Malaysia on 23 January 2022, the review and approval process for land conversion application has been suspended, until the completion of Johor State election which will be held on 12 March 2022. In view of the estimation on the time for formation of the new state Johor Government. The review and approval process for land conversion application is expected to be delayed for at least 2 months, pending the election and formation of the new state Johor Government in mid-March of 2022.

Having taken into account the above, the Directors (including all the independent non-executive Directors) consider that the terms and conditions of the Supplemental Agreement are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio as defined under Rule 14.07 of the Listing Rules for the Company in respect of the Acquisition is 5% or more but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. The Acquisition is therefore subject to reporting and announcement requirements.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	acquisition of the Land by the Group as disclosed in this announcement
“Approvals”	Conversion Approval and State Approval as defined therein
“Company”	MBV International Limited, a company incorporated in the Cayman Islands with limited liabilities and was listed on the Main Board of the Stock Exchange (Stock Code 1957)
“Conversion Approval”	the approval issued by the Relevant Authorities for the change in category of land from “Agriculture” to “Industry”
“Conversion Rate”	approximately RM1 to HK\$1.86
“Converted Title”	title of the Land with the category of land use duly changed from “Agriculture” to “Industry”
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region
“Land”	Freehold Land under GM1222 Lot 919 Mukim Plentong Daerah Johor Bahru, State of Johor, Malaysia

“Latest Practicable Date”	28 February 2022, being the latest practicable date prior to the issuance of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Malaysian Buyer”	whether a company that is not defined as a “foreign company” under Section 433A of the National Land Code 1965, or a Malaysian individual(s)
“Oren Sport”	Oren Sport SDN BHD, an indirect wholly-owned subsidiary of the Company incorporated in Malaysia is deemed to be a foreign company as defined under Section 433A of the National Land Code in Malaysia
“Purchase Price”	the purchase price payable for the Acquisition, being RM23,590,570
“Purchaser”	Oren Sport SDN BHD, an indirect wholly-owned subsidiary of the Company
“Relevant Authorities”	means any governmental or semi-governmental department or statutory body having jurisdiction in respect of the relevant subject matter
“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“State Approval”	the approval issued by the State Authority for the transfer of land title in Malaysia
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Cheng Tay Chin and Tay Hau Tat

By Order of the Board  
**MBV International Limited**  
**Dato’ Tan Meng Seng**  
*Chairman and Executive Director*

Hong Kong, 4 March 2022

*As at the date of this announcement, the executive Directors are Dato’ Tan Meng Seng, Dato’ Tan Mein Kwang and Mr. Tan Beng Sen; and the independent non-executive Directors are Ms. Chui Sin Heng, Mr. Au Wing Yuen and Mr. Yu Cheeric.*