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MBV INTERNATIONAL LIMITED

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

RENEWAL OF CONTINUING CONNECTED TRANSACTION

The Board is pleased to announce that on 17 March 2023, Forever Silkscreen and the Company entered into the renewed Master Service Agreement for a term of three financial years ending 31 December 2025, for the continuing provision of silkscreen printing and embroidery services by Forever Silkscreen to the Group.

Forever Silkscreen is owned as to 50% by Dato' Tan MS, Mr. Tan BS and Dato' Tan MK. As such, Forever Silkscreen is an associate of Dato' Tan MS, Mr. Tan BS and Dato' Tan MK, collectively the Controlling Shareholders and thus a connected person of the Company.

LISTING RULES IMPLICATIONS

The applicable percentage ratios (as defined in Chapter 14A of the Listing Rules) (other than the profits ratio) for the transactions contemplated under the Master Service Agreement for each of the three financial years ending 31 December 2025 on an aggregate annual basis will be more than 0.1% but less than 5% and the expected annual aggregated transaction amount will exceed HK\$3 million but less than HK\$10 million. As such, the transactions contemplated under the Master Service Agreement will, in the absence of a waiver, constitute partially-exempt continuing connected transactions after the Listing, and will be subject to reporting, annual review and announcement but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. BACKGROUND

Forever Silkscreen provided silkscreen printing and embroidery services to the Group. There was no long-term agreement between the Group and Forever Silkscreen with respect to the silkscreen printing and embroidery services. Instead, the Group placed service orders with Forever Silkscreen at the service fee agreed between the parties after arm's length negotiation on separate occasions.

On 10 March 2020, the Company (for itself and on behalf of other Group companies) entered into a Master Service Agreement with Forever Silkscreen, pursuant to which Forever Silkscreen agreed to provide, and the Group (for itself and other Group companies) agrees to engage Forever Silkscreen on a non-exclusive basis for, silkscreen printing and embroidery services (the "**Services**") in accordance with the specifications provided by the Group at the service fee set out in each individual service order as may from time to time be agreed between the Group and Forever Silkscreen. The term of the Master Service Agreement has expired on 31 December 2022.

2. RENEWAL OF MASTER SERVICE AGREEMENT

Upon the expiry of Master Service Agreement, the parties entered into a renewed master service agreement dated 17 March 2023 (the “**2023 Master Service Agreement**”) for the provision of the Service by Forever Silkscreen for a fixed term of three years ended on December 31, 2025 for the continuing provision of the Services to the Group.

As at the date of this announcement, there was de minimis transactions made between the Company and the Forever Silkscreen in which the applicable percentage ratios (as defined in Chapter 14A of the Listing Rules) (other than the profits ratio) was below 1% at the subsidiary level.

3. 2023 MASTER SERVICE AGREEMENT

Date of agreement:	17 March 2023
Parties:	Purchaser: the Company and its subsidiaries, collectively as the Group Supplier: Forever Silkscreen
Term:	For the three years ending 31 December 2025
Purchase of the Services:	The Services shall be purchased on non-exclusive basis to the Company in accordance to the specifications provided by the Group which included the followings: <ul style="list-style-type: none">(a) The quantities and description of the Services;(b) The relevant Service Fee (as defined below);(c) The required delivery dates;(d) The required mode of delivery; and(e) The term of payment
Service Fee:	The Service Fee refers to the prices of the Services payable by the relevant company in the Group as a Purchaser to Supplier based on arm’s length negotiation with reference to (i) the requirements and specifications by the Purchaser; (ii) the order quantity; (iii) the delivery timeframe; and (iv) the prevailing market price of similar services in the market.

4. PROPOSED ANNUAL CAP

The historical service fee charged by Forever Silkscreen in respect of Master Service Agreement against the Group amounted to approximately RM1.7 million, RM1.5 million and RM1.9 million for years ending 31 December 2020, 2021 and 2022, respectively.

The Directors proposed to set the annual caps based on the estimated service fee to be charged by Forever Silkscreen under the 2023 Master Service Agreement for each of the three financial years ending 31 December 2025, which will not exceed approximately RM3.5 million, RM3.6 million and RM3.7 million, respectively.

In arriving at the proposed annual caps, the Directors have considered: (i) the recovery of business with Forever Silkscreen without the effect of COVID-19; and (ii) the expected growth rate of the orders placed by the Group with Forever Silkscreen in the forthcoming years; and (iii) the prevailing market price.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 MASTER SERVICE AGREEMENT BY THE COMPANY

Forever Silkscreen has been providing silkscreen printing and embroidery services to the Group since 2011. Taking into account (i) the services offered by Forever Silkscreen in the past were of good quality in general; and (ii) the long-term business relationship between Forever Silkscreen and the Group which provides the Group with a stable supply of silkscreen printing and embroidery services, the Directors consider that entering into of the 2023 Master Service Agreement with Forever Silkscreen is in the interest of the Group and the Shareholders as a whole. Having considered the terms of the 2023 Master Service Agreement, the Directors (including the independent non-executive Directors but excluding the Interested Directors) are of the view that the 2023 Master Service Agreement is on normal commercial terms, and is fair and reasonable and in the interests of the shareholders of the Company as a whole.

The interested Directors, Dato' Tan MS, Dato' Tan MK and Mr. Tan BS, have abstained from voting on the Board resolution approving the 2023 Master Service Agreement in order to avoid any possible conflict of interest issue.

6. INFORMATION OF THE PARTIES

The Company and Group

The principal activity of the Company is investment holding. The Group is principally engaged in sourcing, wholesaling, supplying and marketing imprintable apparel and gift products all across Malaysia and in Singapore.

Forever Silkscreen

Forever Silkscreen is a limited liability company incorporated in Malaysia and it is principally engaged in the provision of silkscreen printing and embroidery services. It is owned as to 50% by Mr. Tee Tong Ann, and approximately 16.67% by each of Dato' Tan MS, Mr. Tan BS and Dato' Tan MK. As such, Forever Silkscreen is an associate of (i) Mr. Tee Tong Ann, who is a substantial shareholder of MyGift; and (ii) Dato' Tan MS, Mr. Tan BS and Dato' Tan MK, collectively the Controlling Shareholders, respectively and thus a connected person of the Company.

7. LISTING RULES IMPLICATIONS

The applicable percentage ratios (as defined in Chapter 14A of the Listing Rules) (other than the profits ratio) for the transactions contemplated under the 2023 Master Service Agreement for each of the three financial years ending 31 December 2025 on an aggregate annual basis will be more than 0.1% but less than 5% and the expected annual aggregated transaction amount will exceed HK\$3 million but less than HK\$10 million. As such, the transactions contemplated under the 2023 Master Service Agreement will constitute a partially-exempt continuing connected transactions, and will be subject to reporting, annual review and announcement but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

8. DEFINITIONS

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

“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)
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and, unless the context requires otherwise, means a group of Shareholders consisting of Dato’ Tan MS, Dato’ Tan MK, Mr. Tan BS and MBV Capital
“Dato’ Tan MK”	Tan Mein Kwang, the Executive Director and one of the Controlling Shareholders
“Dato’ Tan MS”	Tan Meng Seng, the Executive Director and one of the Controlling Shareholders
“Directors”	the directors of the Company
“Forever Silkscreen”	Forever Silkscreen & Embroidery Sdn. Bhd., a company incorporated in Malaysia with limited liability and is an associate of Dato’ Tan MS, Mr. Tan BS, Dato’ Tan MK and Mr. Tee Tong Ann
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Service Agreement”	a master service agreement entered by the Group on 10 March 2020 to engage on a non-exclusive basis Forever Silkscreen for, silkscreen printing and embroidery services in accordance with the specifications provided by the Group
“MBV Capital”	MBV Capital Limited, a company incorporated in the British Virgin Islands with liability limited by shares which is owned as to approximately 33.33% by each of Dato’ Tan MS, Mr. Tan BS and Dato’ Tan MK and is the Controlling Shareholder
“Mr. Tan BS”	Tan Beng Sen, the Executive Director and one of the Controlling Shareholders
“MyGift”	MyGift Universal Sdn. Bhd., a private company limited by shares incorporated in Malaysia and is a non-wholly owned subsidiary of the Company

“RM”	Ringgit Malaysia, the lawful currency of Malaysia
“Shareholders”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 17 March 2023

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.