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MBV INTERNATIONAL LIMITED

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

RENEWAL OF CONTINUING CONNECTED TRANSACTION SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of the Company dated 17 March 2023 (the “**Announcement**”) in relation to the entering of 2023 Master Service Agreement for the continuing provision of silkscreen printing and embroidery services by Forever Silkscreen to the Group. Unless the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

In addition to the information provided in the Announcement, the Company would like to provide the following supplemental information in relation to the Service Fee.

Pricing basis for the Service Fee including the process for estimating and approving the Service Fee (the “Pricing Policies”)

Forever Silkscreen provided silkscreen printing and embroidery services to the Group. The Services Fee will be determined based on arms’ length negotiation between Forever Silkscreen and the Group with reference to the prevailing market prices. The Group will first determine the following parameters for each order before proceeding to the Service Fee estimation:

- (a) the requirements and specifications such as size, colour, number of stitches;
- (b) the order quantity; and
- (c) the expected delivery time.

The Group will commence a fee quotation process upon gathering the above information. Other than obtaining quotation from Forever Silkscreen, there shall be at least two independent-third party vendors (the “**I3P Vendors**”) involved, of which they provide comparable service quality as Forever Silkscreen. Process for fee quotation and approval per below:

- (i) Chief Finance Officer (the “**CFO**”), sales manager and director-in-charge will have meeting for selection and filtering to come up with a list of approved I3P Vendors, by considering their service quality, performing background check and operation capacity;

- (ii) Based on the parameters of (a) to (c) above, the sale manager shall obtain fee quotation from Forever Silkscreen and selected I3P Vendors;
- (iii) CFO will compare the quotation submitted by Forever Silkscreen and the selected I3P Vendors. Based on the variance in factors of parameters of (a) to (c) and the Service Fee, CFO will select the vendor with the lowest fee offered and within expected delivery time;
- (iv) CFO will submit his selection of quotation for the Executive Director's consideration and final approval; and
- (v) CFO and sale manager will review the vendor invoices by comparing to the approved quotation; if no variance identified, they will then be submitted to director-in-charge for payment approval.

In case the fee offered by Forever Silkscreen and the I3P Vendors are the same, the Group shall select the vendor which can offer a favourable payment term to the Group.

The comparison with the I3P Vendors ensures that the Service Fee is no less favourable than their terms, the Directors (including all the independent non-executive Directors) consider that such pricing basis is to be fair and reasonable and on normal commercial terms. Also, they will regularly monitor the internal controls to safeguard that the transactions are conducted in accordance with the Pricing Policies and the terms on the 2023 Master Service Agreement.

In view of the above, the Directors (including all the independent non-executive Directors) consider that the terms and conditions of the 2023 Master Service Agreement are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

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

Hong Kong, 29 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.