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## **MBV INTERNATIONAL LIMITED**

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

### **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF LAND LOCATED IN MALAYSIA**

#### **ACQUISITION OF LAND LOCATED IN MALAYSIA**

The board of directors (the “Board”) is pleased to announce that Oren Sport SDN BHD (an indirect wholly-owned subsidiary of the Company) has entered into a Sale and Purchase Agreement (“SPA”) for the Land offered for sale by Vendors on 11 March 2021 at a consideration of RM23,590,570 (equivalent to approximately HK\$45,057,989, at Conversion Rate as of Latest Practicable Date), subject to precedent conditions as described below. The Land will be used for building a new warehouse to increase the Company’s capabilities of keeping adequate inventory for the expanded product portfolio.

#### **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 constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **1. INTRODUCTION**

The Board is pleased to announce that Oren Sport SDN BHD has entered into a SPA for the Land offered for sale by the Vendors on 11 March 2021 for a consideration of RM23,590,570 (equivalent to approximately HK\$45,057,989). The Land will be used for building a warehouse to increase the Company’s capabilities of keeping adequate inventory for the expanded product portfolio.

#### **2. THE SALE**

Date of SPA:	11 March 2021
Vendors:	Cheng Tay Chin and Tay Hau Tat
Purchaser:	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
Location of the Land:	Freehold Land under GM1222 Lot 919 Mukim Plentong Daerah Johor Bahru, State of Johor, Malaysia

Size of Land:	Approximately 4.3832 hectares, or 471,811 square feet
Use of Land category:	Agriculture
Purchase Price:	RM23,590,570, equivalent to approximately HK\$45,057,989

### **3. FURTHER INFORMATION ON THE PURCHASE PRICE**

The purchase price for the Land is RM23,590,570 (equivalent to approximately HK\$45,057,989), which shall be paid by the Purchaser to the Vendors in cash, financed by internal funding of the Group, in the following manner (subject to precedent conditions as described below):

- (a) An amount of RM4,718,114 (equivalent to approximately HK\$9,011,598), being 20% of the Purchase Price, shall be paid by the Purchaser to the Vendors upon signing of the SPA; and
- (b) An amount of RM18,872,456 (equivalent to approximately HK\$36,046,391), being the balance of 80% of the Purchase Price, shall be paid by the Purchaser to the Vendors within the Completion Period or Extended Completion Period, as the case may be, whereas
  - (i) Completion Period: 3 months from the date when the Approvals are obtained; or
  - (ii) Extended Completion Period: an automatic extension of 1 month upon the expiry of the Completion Period, subject to interest chargeable at 6% per annum on the outstanding sum calculated on daily basis during the Extended Completion Period.

The Vendors and the Purchaser determined the Purchase Price based on the size of Land, location of the Land and market value of the adjacent lands, which is priced at approximately RM50 per square feet. The Purchase Price is referred to the preliminary valuation as of 10 March 2021 by independent valuer amounted to approximately RM23,600,000.

### **4. CONDITION PRECEDENTS**

A foreigner or a foreign company, as defined under Section 433A of the National Land Code, is not allowed to purchase agricultural land in Malaysia. For this reason, the transaction will be subject to the following conditions:

- (a) Within 12 months from the date of SPA, the Vendors will obtain a Conversion Approval from the Relevant Authorities for the change of land use category from "Agriculture" to "Industry", and deliver the issue document of Converted Title to the Purchaser.
- (b) Within 6 months from the date of obtaining Conversion Approval, the Purchaser will apply for the State Approval with the State Authority for the transfer of land title from the Vendors.

If either Approval is not obtained within the abovementioned period, the Purchaser may find a Malaysian Buyer ("Replacement Buyer") under novation arrangement to purchase the Land. As at the Announcement Date, the Company has not identified any Replacement Buyer and hence it has not entered into negotiation of terms with any Replacement Buyer.

If the Conversion Approval has been obtained but the State Approval is not obtained, and the Purchaser does not appoint any Replacement Buyer, payment to the Relevant Authorities for the Conversion Approval will be reimbursed by the Vendors to the Purchaser but the amount paid by the Purchaser under Section 3(a) above will be forfeited to the Vendors.

## **5. INFORMATION ON THE LAND**

The Land is located under GM1222 Lot 919 in the Mukim of Plentong, District of Johor Bahru, State of Johor, Malaysia. The size is about 4.3832 hectares (or 471,811.428 square feet). It is a freehold land and the current land use category is "Agriculture". Before building a new warehouse thereat, the land use category must be officially changed from "Agriculture" to "Industry".

## **6. INFORMATION ON THE PARTIES**

The Purchaser is a company established in Malaysia and is an indirect wholly-owned subsidiary of the Company. It has been mainly engaged in the wholesale of garments. It has registered the brand "Oren Sport" for the sales of imprintable apparel of the Company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendors are third party independent of the Company and its connected persons (as defined under the Listing Rules). The Vendors were referred by independent third party real estate agent and are not known by the Company nor its connected persons (as defined under the Listing Rules) prior to the discussion of the Acquisition. They are formerly in agricultural business.

## **7. REASON FOR ENTERING INTO, AND BENEFITS OF, THE ACQUISITION**

The Land is located near to the existing warehouse of the Group, which can provide synergy in storage capability and logistic to the Company. Besides, the Land is sizeable and hence allows room for further expansion in future, if required.

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

## **8. 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.

## **9. 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

“Announcement Date”	the date of this announcement, being 11 March 2021
“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\$1.91
“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”	5 March 2021, 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)
“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, 11 March 2021

*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.*