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MBV INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1957)

VOLUNTARY ANNOUNCEMENT FRAMEWORK AGREEMENT IN RELATION TO THE PROPOSED ACQUISITION

This announcement is made by MBV International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest business development of the Group.

FRAMEWORK AGREEMENT

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 1 September 2023 (after trading hours), the Company as purchaser entered into a non-legally binding framework agreement (the “**Framework Agreement**”) with Belcher Ventures Investment Ltd. (the “**Vendor**”) as vendor, pursuant to which the Company (by itself or through its subsidiary) intends to acquire (the “**Proposed Acquisition**”) 45% of all issued shares in Lordan Group Ltd. (the “**Target Company**”).

The principal terms of the Framework Agreement are as follows:

Date: 1 September 2023

Parties: (1) the Company, as purchaser; and
(2) the Vendor, as vendor.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) as at the date of this announcement.

Subject to further negotiations between the parties to the Framework Agreement and the terms of any legally binding formal agreement in relation to the Proposed Acquisition (the “**Formal Agreement**”) to be entered into between the Vendor and the Company (by itself or through its subsidiary), the Group intends to acquire 45% of all issued shares in the Target Company. The consideration of the Proposed Acquisition will be determined after conducting a valuation of the Target Group by a third party valuer to be engaged by the Group.

Pursuant to the Framework Agreement, the Company shall be entitled to conduct due diligence review (the “**Due Diligence Review**”) on the business, financial and legal affairs of the Target Group after signing of the Framework Agreement. The Vendor shall procure the Target Company to provide all required information and assistance to the Company in completing the Due Diligence Review.

The Framework Agreement will terminate upon the earliest of the following dates: (i) the date of execution of a Formal Agreement; (ii) the date of the notice in writing given by the Company to the Vendor at any time that the results of the Due Diligence Review are unsatisfactory; or (iii) the date falling six months after the date of the Framework Agreement (or such other date as may be agreed by the Vendor and the Company in writing), if no Formal Agreement has been executed by such date.

Save for the provisions relating to the Due Diligence Review, confidentiality, termination of the Framework Agreement, fees and expenses arising from the negotiation and execution of the Framework Agreement, and governing law and jurisdiction, the Framework Agreement does not constitute a legally binding agreement between the Vendor and the Company.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability. It is an investment holding company. As at the date of this announcement, the Vendor is the legal and beneficial owner of all issued shares in the Target Company.

INFORMATION OF THE TARGET GROUP

The Target Company is an exempted company incorporated in the Cayman Islands with limited liability. It is an investment holding company. As at the date of this announcement, it is a wholly-owned subsidiary of the Vendor.

China Daren Group Limited 中國大人集團有限公司 (the “**HK Company**”) is a private company incorporated in Hong Kong with limited liability. It is an investment holding company and a wholly-owned subsidiary of the Target Company.

大仁科技(深圳)有限公司(Daren Technology (Shenzhen) Co., Ltd.[#]) (the “WFOE”) is, as at the date of this announcement, in the process of registration as a wholly foreign-owned enterprise in the People’s Republic of China (the “PRC”). Upon completion of its registration, it shall be an investment holding company and a wholly-owned subsidiary of the HK Company.

大人數科(北京)科技集團有限公司(Daren Digital Science (Beijing) Technology Co., Ltd.[#]) (the “OPCO” and, together with its subsidiaries, the “OPCO Group” and, together with the Target Company, the HK Company and the WFOE, the “Target Group”) is a company established in the PRC. The OPCO Group is a leading service provider in digitalisation and e-commerce transformation of physical businesses in the PRC, covering major cities in the PRC such as Beijing, Hangzhou, Xiamen and Guangzhou, as well as sectors such as local lifestyle services and comprehensive healthcare. By providing sector-specific software as a service (SaaS), technical development, supply chain management, advertisement placing and directing services, the OPCO Group helps physical businesses establish and operate online shops in major e-commerce platforms in the PRC such as Alibaba, Tencent, Baidu and Douyin, and boost sales revenue by focusing on converting visitors of these online shops to customers. The OPCO Group holds various licences and registrations granted by various PRC governmental authorities relating to (among other things) value-adding telecommunication businesses, and production of broadcast television programmes.

Completion of the Proposed Acquisition shall be conditional upon the Target Group having completed a corporate reorganisation to the satisfaction of the Company, including without limitation the WFOE having entered into legal and valid contractual arrangements with the OPCO and its shareholders to enable the entire economic benefits of the business of the OPCO Group to flow into the WFOE, to enable the consolidation of the financial results of OPCO Group in the WFOE’s consolidated accounts, and to enable the WFOE to gain effective control over the OPCO Group after such completion.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in the sale of imprintable apparel and gift products in Malaysia and Singapore. With the re-opening of global economy after the COVID-19 pandemic, the Group has been vigilant to changes in business environment and continuously explore new business opportunities in Asian countries such as the PRC in order to achieve sustained success for our business under the present circumstances. The Board considers that the Proposed Acquisition, if materialised, would help broaden the Group’s scope of business, enhance the Group’s competitive advantage in the e-commerce sector, expand the Group’s business into the PRC market, and maximise return to the Company and its Shareholders as a whole in the long run.

If the Proposed Acquisition materializes, the Target Company is expected to become an associate of the Group and the financial results of the Target Group is not expected to be consolidated into the financial results of the Group.

GENERAL

Subject to the terms of any Formal Agreement and based only on information currently available to the Company, the Company at this stage expects that the Proposed Acquisition, if materialised, would constitute a discloseable transaction (as defined in the Listing Rules) of the Company.

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 1 September 2023

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

The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.