MBV INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1957)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2020 (the "**Year**"):

- Revenue for the Year decreased by approximately 38.6% year-to-year to approximately RM109.5 million, as compared with revenue of approximately RM178.2 million for the year ended 31 December 2019 (the "**Last Year**").

- Profit for the Year attributable to owners of the Company amounted to approximately RM0.4 million (2019: profit attributable to owners of the Company approximately RM18.9 million).

- Excluding listing expenses, the Group recorded a profit for the Year attributable to owners of the Company of approximately RM7.8 million and RM25.0 million for the Last Year.

- Basic earnings per share for the Year was RM0.07 (cents) as compared with basic earnings per share of RM4.02 (cents) for the Last Year.

- The Directors of the Company do not recommend payment of any dividend to shareholders of the Company for the Year.

The board (the "**Board**") of directors (the "**Directors**") of MBV International Limited (the "**Company**") is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the "**Group**") for the Year, together with the comparative figures for the Last Year as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	2020 RM'000	2019 RM'000
Revenue	4	**109,459**	178,206
Cost of sales		**(79,164)**	(124,061)
Gross profit		**30,295**	54,145
Other income	5	**1,744**	1,736
Selling and distribution expenses		**(6,045)**	(8,227)
Administrative and other operating expenses		**(13,976)**	(14,073)
(Provision of) Reversal of impairment loss of trade receivables, net		**(812)**	196
Finance costs	6	**(86)**	(261)
Listing expenses		**(7,370)**	(6,117)
Profit before tax	6	**3,750**	27,399
Income tax expenses	7	**(3,677)**	(7,792)
Profit for the year		**73**	19,607
Other comprehensive (loss) income:			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on consolidation		**(98)**	61
Total comprehensive (loss) income for the year		**(25)**	19,668
Profit for the year attributable to:			
Owners of the Company		**386**	18,923
Non-controlling interests		**(313)**	684
		73	19,607
Total comprehensive (loss) income for the year attributable to:			
Owners of the Company		**288**	18,984
Non-controlling interests		**(313)**	684
		(25)	19,668
		RM cents	*RM cents*
Earnings per share attributable to owners of the Company			
Basic and diluted	8	**0.07**	4.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Note	2020 RM'000	2019 RM'000
Non-current assets			
Property, plant and equipment		**29,511**	30,013
Deferred tax assets		**3,138**	3,199
		32,649	33,212
Current assets			
Financial assets at FVPL		**4,741**	–
Financial assets at amortised cost		**1,003**	–
Inventories		**30,213**	37,002
Trade and other receivables	*10*	**23,915**	14,127
Bank balances and cash		**66,075**	36,541
Tax recoverable		**293**	–
		126,240	87,670
Current liabilities			
Trade and other payables	*11*	**3,500**	12,089
Interest-bearing borrowings		**1,585**	1,548
Lease liabilities		**477**	403
Tax payable		**–**	1,405
		5,562	15,445
Net current assets		**120,678**	72,225
Total assets less current liabilities		**153,327**	105,437
Non-current liabilities			
Interest-bearing borrowings		**6,742**	7,497
Lease liabilities		**362**	614
		7,104	8,111
NET ASSETS		**146,223**	97,326
Capital and reserves			
Share capital	*12*	**3,379**	–*
Reserves		**141,306**	95,475
Equity attributable to owners of the Company		**144,685**	95,475
Non-controlling interests		**1,538**	1,851
TOTAL EQUITY		**146,223**	97,326

* *Represent amount less than RM1,000.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2020

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

MBV International Limited (the "**Company**", together with its subsidiaries are collectively referred to as the "**Group**") was incorporated as an exempted company with limited liability in the Cayman Islands on 3 January 2019. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 July 2020 (the "**Listing**"). The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company's principal place of business is situated at Unit B, 23/F, Yue Hing Building, 103 Hennessy Road, Wan Chai, Hong Kong and the Group's headquarter is situated at No. 66, Jalan Seroja 39, Taman Johor Jaya, 81100 Johor Bahru, Johor, Malaysia.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of imprintable apparel and gift products in Malaysia and Singapore.

The immediate and ultimate holding company of the Company is MBV Capital Limited ("**MBV Capital**"), which is incorporated in the British Virgin Islands (the "**BVI**"). In the opinion of the directors of the Company, the ultimate controlling parties are Dato' Tan Meng Seng, Dato' Tan Mein Kwang and Mr. Tan Beng Sen (together the "**Ultimate Controlling Party**"), who have been acting in concert over the course of the Group's business history.

Pursuant to a group reorganisation (the "**Reorganisation**") carried out by the Group in preparation for the Listing, the Company became the holding company of the subsidiaries now comprising the Group on 23 April 2019. Details of the Reorganisation are as set out in the paragraph headed "Reorganisation" of the section headed "History, Reorganisation and Corporate Structure" to the prospectus issued by the Company dated 18 June 2020.

Immediately prior to and after the Reorganisation, the Company and its subsidiaries now comprising the Group are ultimately controlled by the Ultimate Controlling Party. The Group's business is mainly conducted through Oren Sport (Cheras) Sdn. Bhd., Oren Sport (Kepong) Sdn. Bhd., Oren Sport (Klang) Sdn. Bhd., Oren Sport (PJ) Sdn. Bhd., Oren Sport (S) Pte. Ltd, Oren Sport Sdn. Bhd, MyGift Universal Sdn. Bhd., A-Vision Apparel (S) Pte. Ltd, Excel MBV Sdn. Bhd, UB Apparel (M) Sdn. Bhd. and UB Uniform Marketing (M) Sdn. Bhd. while the Company and other entities within the Group have not been involved in any other significant activities prior to the Reorganisation. As the Reorganisation did not result in any change in the ultimate control of and the resources employed by the Group's business, the Group is regarded as a continuity entity and, therefore, the Reorganisation is considered to be a restructuring of entities and business under common control.

The consolidated financial statements of the Group for the years ended 31 December 2020 and 2019 have been prepared on a combined basis under merger accounting principles, as further explained in the paragraph headed "Merger accounting for business combination involving entities under common control", which presents the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the entities now comprising the Group as if the current group structure had always been in existence throughout the reporting periods.

2. PRINCIPAL ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**"), which collective term includes all applicable individual IFRSs, International Accounting Standards ("**IASs**") and Interpretations issued by the IASB. The consolidated financial statements also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

The consolidated financial statements are presented in Malaysian Ringgit ("**RM**") and all amounts have been rounded to the nearest thousand ("**RM'000**"), unless otherwise Indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 consolidated financial statements except for the adoption of the following new/revised IFRSs that are relevant to the Group and effective from/early adopted in the current period.

Changes in accounting policies/Early adoption of new/revised IFRSs

The Group has applied, for the first time, the following new/revised IFRSs that are relevant to the Group:

Amendments to IASs 1 and 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 16	COVID-19-Related Rent Concessions

Amendments to IASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across IFRSs.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IFRS 3: Definition of a Business

The amendments, among others, revise the definition of a business and include new guidance to evaluate whether an acquired process is substantive.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to IFRS 16: COVID-19-Related Rent Concessions

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021. The amendments do not affect lessors.

These amendments shall be applied for annual periods beginning on or after 1 June 2020 with earlier application permitted. The Group has elected to early adopt the amendments in the current year. In accordance with the transition provisions therein, the amendments have been applied retrospectively by the Group recognising the cumulative effect of initially applying the amendments as an adjustment to the opening balance of accumulated profits and therefore the comparative information has not been restated.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis, except for the listed equity securities and unlisted investments of money market funds classified as "Financial assets at FVPL" which are measured at fair value.

Basis of consolidations

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

Non-controlling interests are presented, separately from owners of the Company, in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRSs.

Allocation of total comprehensive income

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

The results of subsidiaries are consolidated/combined from the date on which the Group obtains control and continue to be consolidated/combined until the date such control ceases.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost; and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the Ultimate Controlling Party.

The net assets of the combining entities or businesses are combined using the existing carrying values from the Ultimate Controlling Party's perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the Ultimate Controlling Party's interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities, arising from the Reorganisation, are recognised directly in equity as part of the capital reserve. The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as an expense in the period in which they are incurred.

3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers ("**CODM**"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered. No operating segments identified by the CODM have been aggregated in arriving at the reportable operating segments of the Group.

Specifically, the Group's reportable and operating segments are as follows:

1) Wholesaling of imprintable apparel and gift products.

2) Manufacturing of imprintable apparel.

Segment revenue and results

Segment revenue represents revenue derived from wholesaling of imprintable apparel and gift products and manufacturing of imprintable apparel.

Segment results represent the gross profit reported by each segment without allocation of other income, selling and distribution expenses, administrative and other operating expenses, provision of impairment loss of trade receivables, net, finance costs, listing expenses and income tax expenses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

The segment information provided to the CODM of the Group for the reportable operating segments is as follows:

	Wholesaling *RM'000*	Manufacturing *RM'000*	Total *RM'000*
Year ended 31 December 2020			
Segment revenue	**101,713**	**7,746**	**109,459**
Segment cost of sales	**(72,998)**	**(6,166)**	**(79,164)**
Segment results	**28,715**	**1,580**	**30,295**
Other income			**1,744**
Selling and distribution expenses			**(6,045)**
Administrative and other operating expenses			**(13,976)**
Provision of impairment loss of trade receivables, net			**(812)**
Finance costs			**(86)**
Listing expenses			**(7,370)**
Profit before tax			**3,750**
Income tax expenses			**(3,677)**
Profit for the year			**73**
Other information			
Depreciation	**(1,500)**	**(238)**	**(1,738)**
Provision of write-down of inventories, net	**(2,496)**	**–**	**(2,496)**
Provision of impairment loss of trade receivables, net	**(812)**	**–**	**(812)**

	Wholesaling *RM'000*	Manufacturing *RM'000*	Total *RM'000*
Year ended 31 December 2019			
Segment revenue	164,896	13,310	178,206
Segment cost of sales	(113,372)	(10,689)	(124,061)
Segment results	51,524	2,621	54,145
Other income			1,736
Selling and distribution expenses			(8,227)
Administrative and other operating expenses			(14,073)
Reversal of impairment loss of trade receivables, net			196
Finance costs			(261)
Listing expenses			(6,117)
Profit before tax			27,399
Income tax expenses			(7,792)
Profit for the year			19,607
Other information			
Depreciation	(1,487)	(103)	(1,590)
Provision of write-down of inventories, net	(314)	–	(314)
Reversal of impairment loss of trade receivables, net	196	–	196

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Wholesaling *RM'000*	Manufacturing *RM'000*	Unallocated *RM'000*	Total *RM'000*
At 31 December 2020				
Assets				
Reportable segment assets	**80,484**	**3,154**	**75,251**	**158,889**
Liabilities				
Reportable segment liabilities	**2,497**	**536**	**9,633**	**12,666**
Other information				
Capital expenditures	**1,196**	**68**	**–**	**1,264**
At 31 December 2019				
Assets				
Reportable segment assets	77,387	3,414	40,081	120,882
Liabilities				
Reportable segment liabilities	9,231	1,369	12,956	23,556
Other information				
Capital expenditures	1,555	666	–	2,221

For the purposes of monitoring segment performance and allocating resources between segments:

- segment assets include property, plant and equipment, inventories and certain trade and other receivables. Other assets are not allocated to operating segments as these assets are managed on a corporate basis; and

- segment liabilities include certain trade and other payables. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers; and (ii) the Group's property, plant and equipment (the "**Specified Non-current Assets**"). The geographical location of the revenue is presented based on the entity's countries of domicile for the provision of imprintable apparel and gift products. The geographical location of the Specified Non-current Assets is presented based on the physical location of the assets.

(a) Location of revenue

	Wholesaling *RM'000*	Manufacturing *RM'000*	Total *RM'000*
Year ended 31 December 2020			
Malaysia	**87,949**	**3,616**	**91,565**
Singapore	**13,764**	**4,130**	**17,894**
	101,713	**7,746**	**109,459**
Year ended 31 December 2019			
Malaysia	139,946	8,312	148,258
Singapore	24,950	4,998	29,948
	164,896	13,310	178,206

(b) Location of the Specified Non-current Assets

	2020 *RM'000*	2019 *RM'000*
Malaysia	**28,899**	29,521
Singapore	**612**	492
	29,511	30,013

Information about major customers

The Group's revenue from any single external customer did not contribute 10% or more of the total revenue of the Group during the reporting periods.

4. REVENUE

	2020	2019
	RM'000	*RM'000*
Revenue from contracts with customers within IFRS 15		
– at a point in time		
Wholesaling		
– Imprintable apparel	**86,311**	143,326
– Gift products	**15,402**	21,570
Manufacturing	**7,746**	13,310
	109,459	178,206

The amounts of revenue recognised for the year ended 31 December 2020 that was included in the contract liabilities in relation to customer incentive scheme at the beginning of the reporting period is approximately RM4,081,000 (2019: RM5,276,000).

5. OTHER INCOME

	2020	2019
	RM'000	*RM'000*
Interest income	**84**	59
Exchange gain, net	**247**	442
Government grants *(Note)*	**1,134**	–
Net fair value gain on financial assets at FVPL	**88**	–
Gain on disposal of property, plant and equipment	**47**	154
Rental income	**13**	86
Reversal of impairment loss of trade receivables	**22**	833
Sundry income	**109**	162
	1,744	1,736

Note: Government grants primarily consists of the fiscal support that the relevant government authorities offered to the Group's entities for subsiding on staff wages under COVID-19.

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	2020	2019
	RM'000	*RM'000*
Finance costs		
Interest on interest-bearing borrowings	**35**	135
Interest on bank overdrafts	**–**	70
Interest on lease liabilities	**51**	56
	86	261
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	**16,911**	19,293
Contributions to defined contribution plans	**2,007**	2,135
	18,918	21,428
Other items		
Cost of inventories sold *(Note i)*	**79,164**	124,061
Auditor's remuneration	**579**	141
Depreciation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate) *(Note ii)*	**1,738**	1,590
Lease payments on premises	**40**	153
Provision of write-down of inventories, net	**2,496**	314

Note i: During the year ended 31 December 2020, cost of inventories sold included approximately RM6,285,000 (2019: RM7,937,000) relating to the aggregate amount of certain staff costs and depreciation of property, plant and equipment, which were included in the respective amounts as disclosed above.

Note ii: The amount for the year ended 31 December 2019 included depreciation of investment properties of approximately RM9,000. The investment properties were reclassified as property, plant and equipment during the year ended 31 December 2019.

7. TAXATION

	2020	2019
	RM'000	*RM'000*
Current tax		
Malaysia corporate income tax	**3,573**	7,266
Singapore corporate income tax	**43**	240
	3,616	7,506
Deferred tax		
Changes in temporary differences	**61**	286
Total income tax expenses for the year	**3,677**	7,792

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for the reporting periods.

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax ("**CIT**") therein.

Malaysia CIT is calculated at 24% of the estimated assessable profits for the year ended 31 December 2020 (2019: 24%). Malaysia incorporated entities with paid-up capital of RM2.5 million or less enjoy tax rate of 17% (2019: 17%) on the first RM600,000 (2019: RM500,000) of the estimated assessable profits and remaining balance at tax rate of 24% for the year ended 31 December 2020 (2019: 24%).

Singapore CIT is calculated at 17% of the assessable profits with CIT rebate of 25%, capped at Singapore dollars (S$)15,000 for the years ended 31 December 2020 and 2019. The Group's entities incorporated in Singapore can also enjoy 75% tax exemption on the first S$10,000 of normal chargeable income and a further 50% tax exemption on the next S$190,000 of normal chargeable income for the years ended 31 December 2020 and 2019.

Reconciliation of income tax expenses

	2020	2019
	RM'000	*RM'000*
Profit before tax	**3,750**	27,399
Income tax at statutory tax rate applicable in respective territories	**903**	6,195
Non-deductible expenses	**2,632**	1,737
Tax concessions	**(36)**	(140)
Others	**178**	–
Income tax expenses	**3,677**	7,792

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following information:

	2020	2019
	RM'000	*RM'000*
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	**386**	18,923
	'000	*'000*
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	**546,926**	471,000

For the years ended 31 December 2020 and 2019, the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share were on the basis as if the Capitalisation Issue (as defined in Note 12) had been effective on 1 January 2019.

Diluted earnings per share are same as the basic earnings per share as there are no potential dilutive ordinary shares in existence for the years ended 31 December 2020 and 2019.

9. DIVIDEND

The directors did not recommend a payment of a final dividend for the year ended 31 December 2020 (2019: Nil).

10. TRADE AND OTHER RECEIVABLES

		2020	2019
	Note	*RM'000*	*RM'000*
Trade receivables			
From third parties		**6,913**	13,705
Less: Loss allowances		**(1,791)**	(979)
	(a)	**5,122**	12,726
Other receivables			
Prepayments		**2,719**	374
Deposits paid to suppliers *(Note i)*		**15,279**	418
Other deposits and receivables *(Note ii)*		**795**	609
		18,793	1,401
		23,915	14,127

Note i: The balances at 31 December 2020 and 2019 included payment in advance to certain suppliers for the ordered apparels and gifts products to be delivered, upon completion, to the Group.

Note ii: The amount at 31 December 2019 included prepaid listing expenses of approximately RM73,000.

(a) Trade receivables

The ageing of trade receivables, net of loss allowances, based on invoice date at the end of each reporting period is as follows:

	2020	2019
	RM'000	*RM'000*
Within 30 days	**4,513**	8,874
31 to 60 days	**408**	2,382
61 to 90 days	**142**	1,025
Over 90 days	**59**	445
	5,122	12,726

At the end of each reporting period, the ageing analysis of the trade receivables, net of loss allowances, by due date is as follows:

	2020	2019
	RM'000	*RM'000*
Not yet due	**4,177**	5,546
Past due:		
Within 30 days	**596**	4,495
31 to 60 days	**263**	1,678
61 to 90 days	**86**	1,007
	945	7,180
	5,122	12,726

The Group normally grants credit terms up to 60 days from the date of issuance of invoices.

11. TRADE AND OTHER PAYABLES

	Note	**2020**	2019
		RM'000	*RM'000*
Trade payables			
To a related party	*(a)*	**309**	562
To third parties		**1,047**	837
	(b)	**1,356**	1,399
Other payables			
Refundable receipts in advance		**–**	1,169
Contract liabilities in relation to customer incentive scheme	*(c)*	**–**	4,081
Salary payables		**469**	2,381
Other accruals and other payables *(Note i)*		**1,675**	3,059
		2,144	10,690
		3,500	12,089

Note i: The amount at 31 December 2019 included accrued listing expenses of approximately RM1,797,000.

(a) Trade payables to a related party

The trade payables to a related party are unsecured, interest-free and with normal credit terms up to 30 days.

	2020	2019
	RM'000	*RM'000*
Forever Silkscreen & Embroidery Sdn. Bhd. ("**Forever Silkscreen**") *(Note i)*	**309**	562

Note i: At 31 December 2020 and 2019, the Ultimate Controlling Party held 50% equity interests of Forever Silkscreen.

(b) Trade payables

The trade payables are interest-free and with normal credit terms up to 30 days.

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2020	2019
	RM'000	*RM'000*
Within 30 days	**1,354**	720
31 to 60 days	**2**	604
61 to 90 days	**–**	14
Over 90 days	**–**	61
	1,356	1,399

(c) Contract liabilities in relation to customer incentive scheme

The balance represented accumulated unused obligations under customer incentive scheme at the end of each reporting period which will be recognised as revenue in the next reporting period. Movements in the contract liabilities in relation to customer incentive scheme are as follows:

	2020	2019
	RM'000	*RM'000*
At the beginning of the reporting period	**4,081**	5,276
Addition for the reporting period	**–**	4,081
Revenue recognised for the reporting period *(Note 4)*	**(4,081)**	(5,276)
At the end of the reporting period	**–**	4,081

The contract liabilities of nil and approximately RM4,081,000 at 31 December 2020 and 2019, respectively, represented the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of each reporting period. The Group expects the transaction price of nil and approximately RM4,081,000 at 31 December 2020 and 2019, respectively, allocated to the unsatisfied performance obligations will be recognised as revenue in one year or less when the incentives in relation to customer incentive scheme are utilised.

12. SHARE CAPITAL

	Note	Number of shares '000	HK$'000	Equivalent to RM approximately RM'000
Ordinary shares of HK$0.01 each				
Authorised:				
At 3 January 2019 (date of incorporation) and 31 December 2019 and 1 January 2020	*(a)*	38,000	380	196
Increase on 28 February 2020	*(b)*	4,962,000	49,620	25,440
At 31 December 2020		5,000,000	50,000	25,636
Issued and fully paid:				
At 3 January 2019 (date of incorporation) and 31 December 2019 and 1 January 2020	*(a)*	–*	–*	–*
Issue of shares pursuant to the Capitalisation Issue	*(c)*	471,000	4,710	2,534
Issue of shares pursuant to Global Offering	*(d)*	157,000	1,570	845
At 31 December 2020		628,000	6,280	3,379

* *Represent the amounts less than RM1,000.*

(a) The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 3 January 2019. Upon its incorporation, the authorised share capital of HK$380,000 was divided into 38,000,000 ordinary shares at HK$0.01 each and 12 ordinary shares were issued.

(b) Pursuant to the written resolution of our sole shareholder passed on 28 February 2020, the authorised share capital of the Company was increased from HK$380,000 inter-alia, HK$50,000,000 by the creation of an additional 4,962,000,000 shares of HK$0.01 each and the Capitalisation Issue (as defined below) was conditionally approved.

(c) Pursuant to the resolutions in writing of the Company's sole shareholder passed on 19 May 2020, subject to the share premium account of the Company being credited as a result of the offering of the Company's shares, the directors of the Company were authorised to allot and issue a total of 470,999,988 shares of HK$0.01 each to the existing shareholder, credited as fully paid at par by way of capitalisation of the sum of HK$4,709,999.88 standing to be credit of the share premium account of the Company ("**the Capitalisation Issue**") and the shares to be allotted and issued pursuant to this resolution shall carry the same rights as all shares in issue (save for the rights to participate in the Capitalisation Issue). The Capitalisation Issue was fully completed on 8 July 2020.

(d) On 8 July 2020, the shares of the Company were listed on the Main board of the Stock Exchange and 157,000,000 new ordinary shares of HK$0.01 each were issued at HK$0.8 per share by way of global offering (the "**Global Offering**"). The gross proceeds from the Global Offering amounted to HK$125,600,000. The expenses attributable to issue of shares pursuant to the Global Offering of approximately HK$34,638,000 (equivalent to RM18,662,000) were recognised in the share premium account of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY BACKGROUND

MBV International Limited together with its subsidiaries is a leading imprintable apparel and gift products provider in Malaysia and Singapore. The Group sells a broad product portfolio of imprintable apparel ranging from t-shirts, uniforms, jackets, and others including other causal wear and accessories in a variety of sizes, colour and styles primarily in "blank" or undecorated form, without imprints or embellishment to customers who may decorate products with designs and logos for sale to a diversified range of consumers. With 25 years presence in the market, the Group has accumulated a large and diverse customer base in Malaysia and Singapore. Leveraging on the established and massive customer base, the Group expanded product portfolio by offering gifts and promotion items mainly for corporate marketing and advertising.

To store a large volume of products to meet the customers' demand, the Group has established warehousing facilities consisting of two owned warehouses in Johor Bahru in Malaysia and storage space at each of the sales offices in Johor Bahru, Kuala Lumpur and other Selangor areas. Other than engaging in a number of original equipment manufacturers in the People's Republic of China, Bangladesh and other countries to produce major imprintable apparel and gift product, the Group also leverage on their own facilities to manufactures imprintable apparel with special designs, requirements or specifications.

The Company was successfully listed on the Main Board of the Stock Exchange on 8 July 2020. The Listing represents an important milestone to the Group and will greatly benefit the Group's development in the future.

BUSINESS REVIEW

Save as disclosed below, there are no material changes in the group's performance from the information disclosed in the prospectus of the Company dated 18 June 2020 (the "**Prospectus**").

Financial Overview

For the Year, the Group's revenue and gross profit were decreased by approximately 38.6% and 44.0%, respectively, as compared to the Last Year. This is primarily due to the various measures implemented by the Malaysia and Singapore governments to constrain the outbreak of COVID-19 pandemic. During the period from 18 March 2020 to 3 May 2020 and from 7 April 2020 to 1 June 2020, the Group's operation was temporarily suspended in Malaysia and Singapore respectively. As such, the number of business days in the Year significantly decreased compared to the Last Year. Besides that, Malaysia is currently battling its third wave of COVID-19 from September 2020 and has registered thousands of daily increases from 24 October 2020 to 31 December 2020 which caused negative impacts on both imprintable apparel industry and gift product industry in Malaysia and Singapore in the Year. Besides, an increase in listing expenses incurred during the Year also contribute to the decrease in net profit of the Group.

DIVIDEND

The Company did not recommend the declaration of final dividend for the Year (2019: Nil).

Revenue by products

The Group's product portfolio is broadly categorised into (i) imprintable apparel; and (ii) gift products. The Group's revenue is primarily generated from Malaysia which accounted for approximately 83.7% and 83.2% of the Group's total revenue for the Year and the Last Year, respectively. The Group's revenue has experienced steady growth over the years. However, due to the outbreak of COVID-19 pandemic, the Group has suspended its business operation during the period from 18 March 2020 to 3 May 2020 in Malaysia and from 7 April 2020 to 1 June 2020 in Singapore, and, Malaysia is currently battling its third wave COVID-19 pandemic from September 2020, which caused the Group's revenue decreased by approximately RM68.7 million or 38.6% from approximately RM178.2 million in the Last Year to approximately RM109.5 million in the Year.

Imprintable apparel

The imprintable apparel products, the Group's primary product category, are core apparel essentials commonly used for a wide range of consumers across different demographics throughout a year in Malaysia and Singapore. The revenue generated from the imprintable apparel decreased by approximately RM62.5 million or 39.9% from approximately RM156.6 million in the Last Year to approximately RM94.1 million in the Year, which was mainly attributable to the decrease in the quantity sold by approximately 43.2% in the Year compared to the Last Year, primarily due to the outbreak of COVID-19 pandemic.

Gift products

The Group broaden gift product portfolio by offering more product categories for the customers to choose from and successful expanded into the imprintable gift segment since 2015, which are another commonly used corporate marketing and advertising items. The revenue generated from the gift products decreased by approximately RM6.2 million or 28.7% from approximately RM21.6 million in the Last Year to approximately RM15.4 million in the Year, which was mainly attributable to the decrease in the quantity sold by approximately 29.0% in the Year compared to the Last Year, primarily due to the outbreak of COVID-19 pandemic.

Selling and Distribution Costs

Selling and distribution costs for the Year decreased by approximately 26.8% to approximately RM6.0 million (2019: approximately RM8.2 million). It was primarily due to the decrease in sales turnover in the Year.

Administrative and other expenses

Administrative and other operating expenses primarily comprise of staff costs including directors' remuneration and other staffs costs and welfare, transportation and travelling, depreciation, utilities, repair and maintenance, rental expenses, legal and professional fee and others. Administrative and other operating expenses decreased by approximately RM0.1 million or 1.0%, from approximately RM14.1 million in the Last Year to approximately RM14.0 million in the Year which was relatively stable.

Finance costs

Finance costs mainly represent interest on interest-bearing borrowings and interest on lease liabilities. The Group's finance costs decreased by approximately RM0.2 million or 66.7% from approximately RM0.3 million in Last Year to approximately RM0.1 million in the Year. The decrease in finance costs was due to the decrease in interest-bearing borrowings and the effective interest rate for the Year.

Income tax expenses

Income tax expenses primarily consist of current and deferred income tax at the applicable tax rate in accordance with the relevant laws and regulations in Malaysia and Singapore. No provision for Hong Kong profit tax has been made as the Group has no assessable profits arising in or derived from Hong Kong and the group entities established in the Cayman Islands and the British Virgin Islands are exempted from CIT therein. Income tax expenses for the Year decreased by approximately RM4.1 million or 52.6% to approximately RM3.7 million from approximately RM7.8 million in the Last Year. The decrease in income tax expenses was mainly due to the decrease in profit before tax generated in the Year.

Financial Position

As at 31 December 2020, the Group's cash and cash equivalents amounted to approximately RM66.1 million (2019: approximately RM36.5 million). The increase was mainly due to the proceeds from the Global Offering.

OUTLOOK

The Group remains cautious on the impact of the COVID-19 pandemic and other market uncertainties. Its business and revenue will be adversely affected if the COVID-19 pandemic continues, or if the governments of the countries in which the group operates continue to impose lockdown or movement control order. With the completion of the Listing, the Group will further expand its market shares by increasing and enhancing the warehouse capabilities and improve the logistics flow.

LIQUIDITY, CAPITAL RESOURCES AND CAPITAL STRUCTURE

The Group manages its capital structure with the objectives of maintaining a sustainable growth in business and providing a long term reasonable return to its shareholders. The Group's financial position remained healthy and stable. It is anticipated that the Group has sufficient working capital to fund its future working capital.

As at 31 December 2020, the Group had bank balances and cash amounting to approximately RM66.1 million (as at 31 December 2019: approximately RM36.5 million), and current assets and current liabilities of approximately RM126.2 million (as at 31 December 2019: approximately RM87.7 million) and approximately RM5.6 million (as at 31 December 2019: approximately RM15.4 million) respectively. It should be noted that net current assets balances as at 31 December 2020 was approximately RM120.7 million (as at 31 December 2019: approximately RM72.2 million).

As at 31 December 2020, there were interest-bearing borrowings of approximately RM8.3 million (as at 31 December 2019: RM9.0 million) and unutilised bank facilities of approximately RM18.6 million. As at 31 December 2020, the Group's interest-bearing borrowings carried mainly variable rate borrowings with annual effective interest rate of 0.5% (As at 31 December 2019: 1.4%) per annum.

TREASURY POLICIES AND FOREIGN EXCHANGE EXPOSURE

The Group is exposed to foreign currency risk which refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Group's transactions are mainly denominated in Malaysian Ringgit (or "**RM**") and Singapore dollars (or "**S$**"). Certain financial assets and liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities and therefore exposed to foreign currency risk.

The Group has not experienced any material difficult or liquidity problems resulting from foreign exchange fluctuations. Although the Group does not undertake any hedging activities, it will monitor exchange rate trends from time to time to consider if there is such a need in the future in order to mitigate any risks arising from foreign exchange fluctuation.

GEARING RATIO

As at 31 December 2020, the gearing ratio of the Group, based on total interest-bearing borrowings and lease liabilities to total equity (including all capital and reserves) of the Group was approximately 6.3% (as at 31 December 2019: approximately 10.3%). The decrease in gearing ratio is primarily attributable to the repayment of interest-bearing borrowings and the increase in equity base.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2020, the Group employed 410 full-time employees in Malaysia and Singapore. The Group recognises the importance of maintaining good relationship with its employees and retaining competent staff to ensure operational efficiency and effectiveness. The remuneration packages offered to the Group's employees are based on each employee's qualifications, relevant experience, position and seniority. The Group conducts review on salary increments, bonuses and promotions based on the performance of each employee. The Group provides on-job training to new employees. During the Year, the Group had not experienced any strike, any significant problems with its employees or other material labour disputes which had materially disrupted its operation. The Group has not experienced any difficulties in the recruitment of experienced and skilled staff.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2020, the Group has no capital commitment and contingent liabilities.

PLEDGE OF ASSETS

The interest-bearing borrowings and lease liabilities of the Group are all secured by certain assets of the Group.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND MATERIAL INVESTMENT OR CAPITAL ASSETS

There were no other significant investments held, nor were there material acquisitions or disposal of subsidiaries during the Year under review. On 11 March 2021, the Group entered into a sale and purchase agreement with an independent third party (the "**Vendor**"), pursuant to which, the Group agreed to purchase and the Vendor agreed to sale a piece of land located in Johor Bahru, Malaysia (the "**Land**") at a consideration of approximately RM23.6 million. At the date of this announcement, the Group has paid deposits of 20% of the total consideration and the administrative process for registration of the legal title of the Land is still in progress. For further details, please refer to the announcement of the Company "Discloseable Transaction — Acquisition of land located in Malaysia" published on 11 March 2021.

OTHER INFORMATION

USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

On 8 July 2020 (the "**Listing Date**"), the shares of the Company (the "**Share**") were listed on the Main Board of the Stock Exchange. The Group intends to apply the proceeds from the issuance of 157,000,000 Shares at the offer price of HK$0.80 per Share in accordance with the proposed applications set out in the section headed "Net Proceeds from the Global Offering" in the announcement of Final Offer Price and Allotment Result dated 7 July 2020.

After deducting share issuance expense and professional fee regarding to the Global Offering, the net proceeds amounted to approximately HK$60.3 million. Utilisation of the proceeds as at 31 December 2020 as per followings.

The following sets out the use of net proceeds:

	Planned use of net proceeds *HK$ million*	**Actual use of proceeds as at 31 December 2020** *HK$ million*	**Balance of unutilised proceeds as at 31 December 2020** *HK$ million*	**Expected timeline for unutilised proceeds**
Increase and enhancement to existing warehousing capabilities	22.3	0.0	22.3	December 2023
Strengthen the sales and marketing efforts	14.4	0.1	14.3	December 2023
Establishment of two new distribution centers	4.8	0.3	4.5	December 2023
Investment in information systems	8.6	3.0	5.6	December 2023
Development in e-commerce sales platform	6.1	0.1	6.0	December 2023
General working capital purposes	4.1	0.0	4.1	NA
	60.3	3.5	56.8	

The Group has experienced significant disruption to its operations arising from the COVID-19 pandemic and the movement control order during the Year, included but not limited to: (i) closure of business; (ii) interruption of operations due to implementation of standard order procedures; and (iii) negative impact on the demand for the Group's imprintable apparel and gift products. We expect the current financial year of 2021 to be extremely challenging to the Group due to the ongoing of COVID-19 pandemic. Without change in the business objective as stated in the Prospectus and taking into account of the impact from COVID-19 pandemic, we planned to extend the expected time line for the utilisation of the unused proceeds to the end of financial year in 2023 in order to enhance flexibility for the future development of the Group.

AUDIT COMMITTEE

The Board has established our Audit Committee on 28 February 2020 in compliance with the code provision of the Corporate Governance Code set out in Appendix 14 of the Listing Rules.

The Audit Committee consists of three independent non-executive directors, namely Mr. Au Wing Yuen, Mr. Yu Cheeric and Ms. Chui Sin Heng. Ms. Chui Sin Heng is the chairman of the Audit Committee and she has professional qualifications and experience in accounting and financial management as stipulated in the Listing Rules.

The Audit Committee's terms of reference in writing was adopted by the Company pursuant to the Board Resolution passed on 28 February 2020. The terms of reference requires that the Audit Committee must hold meetings twice a year and the necessary quorum shall be at least two.

The main responsibilities of the Audit Committee include, but not limited to:

1. Making recommendations to the Board on the appointment, reappointment, resignation, dismissal and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditor; review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process;

2. Review of financial information of the Group, including changes in accounting policies and practice, major judgemental areas, going concern consideration, compliance with accounting standards and listing rules in relation to financial reporting;

3. Oversight of the Company's financial reporting system, including review of the adequacy of resources, qualifications and experience of accounting staff, and their training programmes and budget of the Company's accounting and financial reporting function;

4. Review and monitor the effectiveness and adequacy of the Group's risk management and internal control measures; ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;

5. Regularly report observations and make recommendations to the board (if any).

The Audit Committee also acts as the Corporate Governance function of the Group, and is mainly responsible for:

- developing and reviewing the corporate governance policies and practices of the Company and making recommendations to the Board;

- reviewing and monitoring the training and continuous professional development of directors and senior management;
- reviewing and monitoring the policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct applicable to employees and directors; and
- reviewing the Company's compliance with the Corporate Governance Code set out in Appendix 14 of the Listing Rules and disclosure in the Corporate Governance Report.

INTERESTS OF DIRECTORS AND THE CHIEF EXECUTIVE

As at 31 December 2020, the interests and short positions of each Director and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Future Commission ("**SFO**")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have taken under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests and/or short positions in our Company

Director	Nature of Interest	Number of Shares Held(1)	Percentage of Interest in the Company
Dato' Tan Meng Seng	Interest in controlled corporation(2)	471,000,000 (L)	75%
Dato' Tan Mein Kwang	Interest in controlled corporation(2)	471,000,000 (L)	75%
Mr. Tan Beng Sen	Interest in controlled corporation(2)	471,000,000 (L)	75%

Notes:

(1) The letter "L" denotes long position in the shares held.

(2) These shares are held by MBV Capital. The issued share capital of MBV Capital is owned as to approximately 33.3% by each of Dato' Tan Meng Seng, Dato' Tan Mein Kwang and Mr. Tan Beng Sen, and therefore, each of Dato' Tan Meng Seng, Dato' Tan Mein Kwang and Mr. Tan Beng Sen are deemed to be interested in all the Shares registered in the name of MBV Capital in our Company under Part XV of the SFO.

Save as disclosed above, as at the date of this announcement, none of our Directors nor the chief executive of our Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at the date of this announcement, so far as Directors are aware, the following persons had an interest or short position in the Shares or the underlying Shares as recorded in the register required to be kept under section 336 of the SFO or which were required to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO:

Name	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding
MBV Capital Limited[(1)]	Beneficial Owner	471,000,000	75.0%
Dato' Tan Meng Seng[(1)]	Interest in a controlled corporation	471,000,000	75.0%
Dato' Tan Mein Kwang[(1)]	Interest in a controlled corporation	471,000,000	75.0%
Mr. Tan Beng Sen[(1)]	Interest in a controlled corporation	471,000,000	75.0%
Datin Kong Siew Peng[(2)]	Interest of spouse	471,000,000	75.0%
Ms. Foo Kim Foong[(3)]	Interest of spouse	471,000,000	75.0%
Datin Loi Siew Yoke[(4)]	Interest of spouse	471,000,000	75.0%

Notes:

1. These shares are held by MBV Capital. The issued share capital of MBV Capital is owned as to approximately 33.3% by each of Dato' Tan Meng Seng, Mr. Tan Beng Sen and Dato' Tan Mein Kwang, and therefore, each of Dato' Tan Meng Seng, Mr. Tan Beng Sen and Dato' Tan Mein Kwang are deemed to be interested in all the Shares registered in the name of MBV Capital in our Company under Part XV of the SFO.

2. Datin Kong Siew Peng is the spouse of Dato' Tan Meng Seng. Accordingly, Datin Kong Siew Peng is deemed to be interested in all the Shares held by Dato' Tan Meng Seng under Part XV of the SFO.

3. Ms. Foo Kim Foong is the spouse of Mr. Tan Beng Sen. Accordingly, Ms. Foo Kim Foong is deemed to be interested in all the Shares held by Mr. Tan Beng Sen under Part XV of the SFO.

4. Datin Loi Siew Yoke is the spouse of Dato' Tan Mein Kwang. Accordingly, Datin Loi Siew Yoke is deemed to be interested in all the Shares held by Dato' Tan Mein Kwang under Part XV of the SFO.

Save as disclosed above, as at the date of this announcement, the Directors are not aware of any other person had a beneficial interest or short position in the Shares as recorded in the register required to be kept under section 336 of the SFO or the underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CORPORATE GOVERNANCE CODE

In order to focus on the work of the Board of the Company and the strategic aspects of the Group, Dato' Tan Meng Seng, has ceased to act as the chief executive officer (the "**Chief Executive Officer**") of the Company on 21 September 2020 and Dato' Tan Mein Kwang, an executive Director, has been appointed as the Chief Executive Officer with effect on the same date. As such, the Company has complied with the required standards as set out code provision A.2.1 of the Code on Corporate Governance.

Except disclosed above, throughout the Year, the Board considered that the Company has complied with all the Code Provisions set out in the Corporate Governance Code since the Listing Date.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Board has adopted the Model Code as the Company's code of conduct for dealings in securities of the Company by the Directors. Having made specific enquiry with all the Company's Directors, the Company has ascertained that all of its Directors have complied with the required standards set out in the Model Code throughout the Year.

POST BALANCE SHEET EVENT

On 11 March 2021, the Group entered into a sale and purchase agreement with the Vendor to purchase a piece of land located in Johor Bahru, Malaysia at a consideration of approximately RM23.6 million. The Land is located near to the existing warehouse of the Group. Subject to the result of the land conversion to industrial use, this land can provide synergy in storage capability and logistic to the Group. The land is sizeable and hence allows room for further expansion in future. For further details, please refer to the announcement of the Company "Discloseable Transaction — Acquisition of land located in Malaysia" published on 11 March 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities from the Listing Date up to the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

The Group's annual results for the year ended 31 December 2020, including the accounting principles and practices adopted, have been reviewed by the Audit Committee in conjunction with the Company's external auditor.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated balance sheet and the related notes thereto for the year ended 31 December 2020 as set out in this preliminary results announcement have been agreed by the Company's external joint auditors, Mazars CPA Limited, Certified Public Accountants, Hong Kong, and Mazars LLP, Public Accountants and Chartered Accountants, Singapore (together as "**Mazars**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Mazars on this preliminary results announcement.

On behalf of the Board
MBV International Limited
Dato' Tan Meng Seng
Chairman and Executive Director

Hong Kong, 19 March 2021

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