MBV INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1957)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2022 (the "**Year**"):

- Revenue for the Year increased by approximately 64.7% year-to-year to approximately RM198.9 million, as compared with revenue of approximately RM120.8 million for the year ended 31 December 2021 (the "**Last Year**");
- Profit for the Year attributable to owners of the Company amounted to approximately RM15.1 million (2021: profit attributable to owners of the Company approximately RM9.3 million);
- Basic earnings per share for the Year was RM2.41 (cents) as compared with basic earnings per share of RM1.49 (cents) for the Last Year; and
- The Board (as defined hereinafter) does 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 2022

	Note	**2022** **RM'000**	2021 RM'000
Revenue	4	**198,927**	120,771
Cost of sales		**(145,743)**	(88,417)
Gross profit		**53,184**	32,354
Other income	5	**2,813**	2,776
Selling and distribution expenses		**(9,709)**	(5,675)
Administrative and other operating expenses	6	**(22,123)**	(15,722)
Reversal of impairment loss of trade receivables, net		**284**	253
Finance costs	6	**(82)**	(63)
Profit before tax	6	**24,367**	13,923
Income tax expenses	7	**(7,697)**	(4,323)
Profit for the year		**16,670**	9,600
Other comprehensive income (loss):			
Items that will not be reclassified to profit or loss			
Exchange differences on translation of the Company's financial statements to presentation currency		**1,630**	498
Items that may be reclassified subsequently to profit or loss			
Exchange differences on consolidation		**(919)**	(304)
Other comprehensive income for the year		**711**	194
Total comprehensive income for the year		**17,381**	9,794
Profit for the year attributable to:			
Owners of the Company		**15,104**	9,326
Non-controlling interests		**1,566**	274
		16,670	9,600
Total comprehensive income for the year attributable to:			
Owners of the Company		**15,815**	9,520
Non-controlling interests		**1,566**	274
		17,381	9,794
		RM cents	*RM cents*
Earnings per share attributable to owners of the Company			
Basic and diluted	8	**2.41**	1.49

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2022

	Note	2022 *RM'000*	2021 *RM'000*
Non-current assets			
Property, plant and equipment		**29,783**	29,769
Intangible assets		**1,298**	1,535
Deposits paid for acquisition of property, plant and equipment		**10,240**	4,718
Deferred tax assets		**1,686**	3,140
		43,007	39,162
Current assets			
Financial assets at fair value through profit or loss ("**FVPL**")		**1,359**	2,739
Financial assets at amortised cost		**750**	-
Inventories		**45,007**	19,985
Trade and other receivables	*10*	**17,167**	26,223
Bank balances and cash		**79,156**	81,132
		143,439	130,079
Current liabilities			
Trade and other payables	*11*	**5,618**	4,359
Interest-bearing borrowings		**917**	946
Lease liabilities		**773**	584
Tax payable		**1**	615
		7,309	6,504
Net current assets		**136,130**	123,575
Total assets less current liabilities		**179,137**	162,737
Non-current liabilities			
Interest-bearing borrowings		**5,364**	6,031
Lease liabilities		**375**	689
		5,739	6,720
NET ASSETS		**173,398**	156,017
Capital and reserves			
Share capital	*12*	**3,379**	3,379
Reserves		**166,641**	150,826
Equity attributable to owners of the Company		**170,020**	154,205
Non-controlling interests		**3,378**	1,812
TOTAL EQUITY		**173,398**	156,017

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2022

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. 58–66, 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.

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 2021 consolidated financial statements except for the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current period.

Changes in accounting policies

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

Amendments to IAS 16	Proceeds before Intended Use
Amendments to IAS 37	Cost of Fulfilling a Contract
Amendments to IFRS 3	Reference to the Conceptual Framework
Annual Improvements to IFRSs	2018–2020 Cycle

Amendments to IAS 16: Proceeds before Intended Use

The amendments clarify the accounting requirements for proceeds received by an entity from selling items produced while testing an item of property, plant or equipment before it is used for its intended purpose. An entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss and measures the cost of those items applying the measurement requirements of IAS 2.

Amendments to IAS 37: Cost of Fulfilling a Contract

The amendments clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (for example, direct labour and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to IFRS 3: Reference to the Conceptual Framework

The amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to IFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

Annual Improvements Project — 2018–2020 Cycle
IFRS 1: Subsidiary as a First-time Adopter

This amendment simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRSs later than its parent — i.e. if a subsidiary adopts IFRSs later than its parent and applies IFRS 1.D16(a), then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRSs.

IFRS 9: Fees in the "10 per cent" Test for Derecognition of Financial Liabilities

This amendment clarifies that — for the purpose of performing the "10 per cent test" for derecognition of financial liabilities — in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

IFRS 16: Lease Incentives

The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, Example 13 is not clear as to why such payments are not a lease incentive.

The adoption of the new / revised IFRSs that are relevant to the Group and effective from the current year had no significant effects on the results and financial position of the Group for the current and prior years.

Basis of measurement

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

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.

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.

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, reversal of impairment loss of trade receivables, net, finance costs 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 2022			
Segment revenue	**185,005**	**13,922**	**198,927**
Segment cost of sales	**(138,000)**	**(7,743)**	**(145,743)**
Segment results	**47,005**	**6,179**	**53,184**
Other income			**2,813**
Selling and distribution expenses			**(9,709)**
Administrative and other operating expenses			**(22,123)**
Reversal of impairment loss of trade receivables, net			**284**
Finance costs			**(82)**
Profit before tax			**24,367**
Income tax expenses			**(7,697)**
Profit for the year			**16,670**
Other information			
Depreciation	**(2,043)**	**(60)**	**(2,103)**
Amortisation	**(327)**	**–**	**(327)**
Reversal of write-down of inventories, net	**4,819**	**–**	**4,819**
Reversal of impairment loss of trade receivables, net	**284**	**–**	**284**

	Wholesaling *RM'000*	Manufacturing *RM'000*	Total *RM'000*
Year ended 31 December 2021			
Segment revenue	111,595	9,176	120,771
Segment cost of sales	(82,246)	(6,171)	(88,417)
Segment results	29,349	3,005	32,354
Other income			2,776
Selling and distribution expenses			(5,675)
Administrative and other operating expenses			(15,722)
Reversal of impairment loss of trade receivables, net			253
Finance costs			(63)
Profit before tax			13,923
Income tax expenses			(4,323)
Profit for the year			9,600
Other information			
Depreciation	(1,787)	(64)	(1,851)
Amortisation	(26)	–	(26)
Provision for write-down of inventories, net	(373)	–	(373)
Reversal of impairment loss of trade receivables, net	253	–	253

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 2022				
Assets				
Reportable segment assets	**98,733**	**3,464**	**84,249**	**186,446**
Liabilities				
Reportable segment liabilities	**4,880**	**738**	**7,430**	**13,048**
Other information				
Capital expenditures	**2,349**	**12**	**–**	**2,361**
At 31 December 2021				
Assets				
Reportable segment assets	77,497	3,198	88,546	169,241
Liabilities				
Reportable segment liabilities	3,637	721	8,866	13,224
Other information				
Capital expenditures	1,245	4	2,553	3,802

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

- segment assets include property, plant and equipment, intangible assets, 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 and intangible assets (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	**Manufacturing**	**Total**
	RM'000	*RM'000*	*RM'000*
Year ended 31 December 2022			
Malaysia	**156,567**	**8,046**	**164,613**
Singapore	**28,438**	**5,876**	**34,314**
	185,005	**13,922**	**198,927**
Year ended 31 December 2021			
Malaysia	91,489	4,947	96,436
Singapore	20,106	4,229	24,335
	111,595	9,176	120,771

(b) Location of the Specified Non-current Assets

	2022	2021
	RM'000	*RM'000*
Malaysia	**30,452**	30,515
Singapore	**629**	789
	31,081	31,304

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

	2022	2021
	RM'000	*RM'000*
Revenue from contracts with customers within IFRS 15		
– at a point in time		
Wholesaling		
– Imprintable apparel	**154,697**	95,204
– Gift products	**30,308**	16,391
Manufacturing	**13,922**	9,176
	198,927	120,771

5. OTHER INCOME

	2022	2021
	RM'000	*RM'000*
Interest income	**1,156**	1,052
Dividend income	**3**	2
Exchange gain, net	**669**	267
Government grants *(Note i)*	**353**	1,099
Gain on early termination of lease agreements *(Note ii)*	**–**	2
Rental income	**47**	35
Sundry income	**585**	319
	2,813	2,776

Notes:

i 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.

ii During the year ended 31 December 2021, the Group early terminated certain lease agreements for rental of offices and showrooms. The Group derecognised right-of-use assets of approximately RM50,000 and lease liabilities of approximately RM52,000 respectively, resulting in a gain on early termination of lease agreements of approximately RM2,000.

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	2022	2021
	RM'000	*RM'000*
Finance costs		
Interest on interest-bearing borrowings	**8**	12
Interest on lease liabilities	**74**	51
	82	63
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	**24,121**	16,569
Contributions to defined contribution plans	**2,647**	1,967
	26,768	18,536

	2022	2021
	RM'000	*RM'000*
Other items		
Cost of inventories sold *(Note)*	**145,743**	88,417
Auditor's remuneration	**686**	585
Amortisation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	**327**	26
Depreciation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	**2,103**	1,851
Lease payments on premises recognised as short-term lease	**108**	19
Loss on disposal of financial assets at FVPL	**97**	–
Loss on disposal of property, plant and equipment	**–**	13
Written-off of property, plant and equipment	**264**	–
Net fair value loss on financial assets at FVPL	**830**	96
(Reversal of) Provision for write-down of inventories, net (included in cost of inventories sold)	**(4,819)**	373

Note: During the year ended 31 December 2022, cost of inventories sold included approximately RM8,443,000 *(2021: approximately RM6,353,000)* relating to the aggregate amount of certain staff costs and depreciation of intangible assets and property, plant and equipment, which were included in the respective amounts as disclosed above.

7. TAXATION

	2022	2021
	RM'000	*RM'000*
Current tax		
Malaysia corporate income tax		
Current year	**5,131**	4,099
Under-provision in prior year	**716**	–
	5,847	**4,099**
Singapore corporate income tax		
Current year	**491**	**226**
Over-provision in prior year	**(95)**	–
	396	**226**
	6,243	4,325
Deferred tax		
Changes in temporary differences	**1,454**	(2)
Total income tax expenses for the year	**7,697**	4,323

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 2022 *(2021: 24%)*. For the years ended 31 December 2022 and 2021, Malaysia incorporated entities with paid-up capital of RM2.5 million or less and having annual sales of not more than RM50 million enjoy tax rate of 17% on the first RM600,000 of the estimated assessable profits and remaining balance at tax rate of 24%.

Singapore CIT is calculated at 17% of the assessable profits for the years ended 31 December 2022 and 2021. 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 2022 and 2021.

Reconciliation of income tax expenses

	2022	2021
	RM'000	*RM'000*
Profit before tax	**24,367**	13,923
Income tax at statutory tax rate applicable in respective territories	**5,614**	3,255
Non-deductible expenses	**1,571**	1,151
Tax concessions	**(109)**	(89)
Under-provision in prior year	**621**	–
Others	**–**	6
Income tax expenses	**7,697**	4,323

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:

	2022	2021
	RM'000	*RM'000*
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	**15,104**	9,326
	'000	'000
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	**628,000**	628,000

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 2022 and 2021.

9. DIVIDEND

The directors did not recommend a payment of any dividend for the year ended 31 December 2022 and 2021.

10. TRADE AND OTHER RECEIVABLES

	Note	2022 RM'000	2021 RM'000
Trade receivables			
From third parties		**8,591**	7,840
Less: Loss allowances		**(1,246)**	(1,530)
	(a)	**7,345**	6,310
Other receivables			
Prepayments		**1,263**	2,145
Deposits paid to suppliers *(Note)*		**8,141**	17,270
Other deposits and receivables		**418**	498
		9,822	19,913
		17,167	26,223

Note: The balances at 31 December 2022 and 2021 included payment in advance to certain suppliers for the ordered apparels and gifts products to be delivered, upon completion, to the Group.

(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:

	2022 RM'000	2021 RM'000
Within 30 days	**5,279**	5,030
31 to 60 days	**1,739**	1,143
61 to 90 days	**304**	127
Over 90 days	**23**	10
	7,345	6,310

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

	2022 *RM'000*	2021 *RM'000*
Not yet due	**6,385**	5,329
Past due:		
Within 30 days	**743**	849
31 to 60 days	**217**	132
	960	981
	7,345	6,310

The Group normally grants credit terms up to 60 days *(2021: up to 60 days)* from the date of issuance of invoices.

11. TRADE AND OTHER PAYABLES

	Note	2022 *RM'000*	2021 *RM'000*
Trade payables			
To a related party	*(a)*	**383**	282
To third parties		**985**	796
	(b)	**1,368**	1,078
Other payables			
Salary payables		**1,642**	916
Other accruals and other payables		**2,608**	2,365
		4,250	3,281
		5,618	4,359

(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 *(2021: up to 30 days)*.

	2022	2021
	RM'000	*RM'000*
Forever Silkscreen & Embroidery Sdn. Bhd. ("**Forever Silkscreen**") *(Note)*	**383**	282

Note: At 31 December 2022 and 2021, 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 *(2021: 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:

	2022	2021
	RM'000	*RM'000*
Within 30 days	**1,114**	1,010
31 to 60 days	**254**	30
61 to 90 days	**–**	38
	1,368	1,078

12. SHARE CAPITAL

	Number of shares		**Equivalent to RM** *approximately*
	'000	*HK$'000*	*RM'000*
Ordinary shares of HK$0.01 each			
Authorised:			
At 1 January 2021, 31 December 2021, **1 January 2022 and 31 December 2022**	**5,000,000**	**50,000**	**25,636**
Issued and fully paid:			
At 1 January 2021, 31 December 2021, **1 January 2022 and 31 December 2022**	**628,000**	**6,280**	**3,379**

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY BACKGROUND

MBV International Limited (the "**Company**") together with its subsidiaries (the "**Group**") 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 27 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 of Hong Kong Limited (the "**Stock Exchange**") on 8 July 2020 (the "**Initial Listing**"). The Initial Listing represents an important milestone to the Group and will greatly benefit the Group's development in the future.

Financial Overview

For the year ended 31 December 2022 (the "**Year**"), the Group's revenue and gross profit increased by approximately 64.7% and 64.4%, respectively, as compared to last corresponding year ended 31 December 2021 (the "**Last Year**"). This was mainly attributable to the increase in sales due to the recovery of economy from COVID-19 as a result of an increase in demand for apparels during Year 2022.

The economic outlook for year 2023 will remain uncertain and challenging. Nevertheless, the Group will continue to be vigilant to changes in business environment and strive to improve the efficiency of its operations in order to maintain sustainability of its business under the present uncertain and challenging circumstances.

DIVIDEND

The Company did not recommend the declaration of any dividend for the Year (2021: 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 82.8% and 79.9% of the Group's total revenue for the Year and the Last Year, respectively. With positive market consumer sentiment after Malaysia loose COVID-19 restriction, the Group's revenue has increased by approximately RM78.1 million or 64.7% from approximately RM120.8 million in the Last Year to approximately RM198.9 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 increased by approximately RM64.2 million or 61.5% from approximately RM104.4 million in the Last Year to approximately RM168.6 million in the Year, which was mainly attributable to the increase in the quantity sold by approximately 49.1% in the Year compared to the Last Year, primarily due to the positive market sentiment after Malaysia has loosen the COVID-19 restriction.

Gift products

The Group has broaden gift product portfolio by offering more product categories for the customers to choose from and successfully expanded into the imprintable gift segment since 2015, which are popular corporate marketing and advertising items. The revenue generated from the gift products increased by approximately RM13.9 million or 84.8% from approximately RM16.4 million in the Last Year to approximately RM30.3 million in the Year, which was mainly attributable to the increase in the quantity sold by approximately 81.8% in the Year compared to the Last Year, primarily due to the positive market sentiment after Malaysia has loosen the COVID-19 restriction.

Selling and distribution Costs

Selling and distribution costs for the Year increased by approximately 70.2% to approximately RM9.7 million (2021: approximately RM5.7 million). It was primarily due to increase of sales.

Administrative and other operating expenses

Administrative and other operating expenses primarily comprise staff costs including directors' remuneration, directors' bonus, directors' fees, other staffs costs, staff salary and bonus, transportation and courier fee, depreciation, repair and maintenance, net fair value gain on financial assets at FVPL and others. Administrative and other operating expenses increased by approximately RM6.4 million or 40.8%, from approximately RM15.7 million in the Last Year to approximately RM22.1 million in the Year which was mainly due to the increase of directors' remunerations, staff related expenses and sales related expenses which mainly due to sales increase.

Finance costs

Finance costs mainly represent interest on interest-bearing borrowings and interest on lease liabilities. The Group's finance costs was relatively stable and remained at approximately RM0.1 million in the Year and the Last 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 for the Year. The group entities established in the Cayman Islands and the British Virgin Islands are exempted from corporate income tax therein. Income tax expenses for the Year increased by approximately RM3.4 million or 79.1% to approximately RM7.7 million from approximately RM4.3 million in the Last Year. The increase in income tax expenses was mainly due to the increase in taxable profit in the Year.

Financial Position

As at 31 December 2022, the Group's cash and cash equivalents amounted to approximately RM79.2 million (2021: approximately RM81.1 million). The decrease was mainly due to additional deposit paid for acquisition of land.

OUTLOOK

With the world learning to coexist with COVID-19, social restrictions have eased in many countries, leading to a rebound in domestic activities and a resumption of international travel. Whilst this may work well for economic recovery, however given the adverse global environment, increase in interest rate, global inflation and result global rising pricing, which affect the consumers' purchasing power and lifestyle, the Group expected the outlook for Malaysia and Singapore's economy for 2023 to be challenging. We will continue to be prudent in managing our business operations and financial resources and maximise our business potential during this challenging time.

Notwithstanding that the Group will continue expand its market shares by increasing and enhancing the warehouse capabilities including the land acquisition in Johor for building new warehouse and improving 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 2022, the Group had bank balances and cash amounting to approximately RM79.2 million (as at 31 December 2021: approximately RM81.1 million), and current assets and current liabilities of approximately RM143.4 million (as at 31 December 2021: approximately RM130.1 million) and approximately RM7.3 million (as at 31 December 2021: approximately RM6.5 million) respectively. It should be noted that net current assets balances as at 31 December 2022 was approximately RM136.1 million (as at 31 December 2021: approximately RM123.6 million).

As at 31 December 2022, there were interest-bearing borrowings of approximately RM6.3 million (as at 31 December 2021: approximately RM7.0 million) and unutilized bank facilities of approximately RM18.6 million. As at 31 December 2022, the Group's interest-bearing borrowings carried mainly variable rate borrowings with annual effective interest rate of 0.1% (as at 31 December 2021: 0.2%) 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 2022, 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 4.3% (as at 31 December 2021: approximately 5.3%). 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 2022, the Group employed 447 (2021: 390) 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 Company has adopted a share option scheme as incentive to the eligible persons. The total staff cost (including director's emoluments) for the year ended 31 December 2022 amounted to approximately RM26.8 million (as at 31 December 2021: approximately RM18.5 million).

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

As at 31 December 2022, the Group has capital commitments of RM14.2 million for contracted but not provided for net of deposits paid for acquisition of property, plant and equipment (2021: RM18.9 million).

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

On 11 March 2021, the Group entered into a sale and purchase agreement with an independent third party (the "**Vendor**") (the "**Agreement**"), pursuant to which, the Group agreed to purchase, and the Vendor agreed to sell a piece of a land located in Johor Bahru, Malaysia (the "**Land**") at a consideration of approximately RM23.6 million. At 31 December 2022 and up to the date of this announcement, 40% (2021: 20%) of the total consideration together with the related transaction costs, including legal and professional fee, were settled by the Group. The administrative process for registration of the legal title of the Land is still in progress.

According to the Agreement, before transferring the legal title of the Land, it was required to obtain the conversion approval from agriculture land to industrial land. Up to 31 December 2022, the Land was converted from agriculture land to industrial land and the administrative process for registration of the legal title of the Land is still in progress. Upon completion of the registration of the legal title, the remaining balance of the total consideration will be fully settled by the Group to the Vendor.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group has no significant contingent liabilities.

PLEDGE OF ASSETS

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

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 (the "**Global Offering**") 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 2022 and 2021 are as per followings.

The following sets out the use of net proceeds:

	Planned use of net proceeds *HK$ million*	Balance of unutilised proceeds as at 31 December 2021 *HK$ million*	Actual use of proceeds as at 31 December 2022 *HK$ million*	Balance of unutilised proceeds as at 31 December 2022 *HK$ million*	Expected timeline for unutilised proceeds
Increase and enhancement to existing warehousing capabilities	22.3	22.3	0.0	22.3	December 2024
Strengthen the sales and marketing efforts	14.4	14.2	1.7	12.5	December 2024
Establishment of two new distribution centers	4.8	2.9	1.0	1.9	December 2024
Investment in information systems	8.6	5.6	0.0	5.6	December 2024
Development in e-commerce sales platform	6.1	5.7	0.3	5.4	December 2024
General working capital purposes	4.1	0.0	0.0	0.0	N/A
	60.3	50.7	3	47.7	

Such utilisation of the net proceeds was in accordance with the proposed allocations as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

As at 31 December 2022, approximately HK$47.7 million (representing approximately 79.1% of the net proceeds from the global offering) had not yet been utilised. The unutilised portion of the net proceeds were deposited in the Group's banks in Malaysia and is intended to be utilised in the manner consistent with the proposed allocation as set forth in the Prospectus.

There is a delay in the timing of utilising the remaining net proceeds from the global offering. Such delay is due to COVID-19 pandemic deterioration in Malaysia, the Group had experienced significant disruption to its operations during the Year as Malaysia government implemented a nationwide lockdown. The economic environment remains unstable and the future market remains uncertain.

We will also continuously evaluate, reassess, change or modify the existing plans and explore new business opportunities in view of the latest market condition with an aim to achieve sustainable business growth and to bring long-term benefits for the Shareholders.

Audit Committee

The Board has established our Audit Committee on 28 February 2020 in compliance with the code provision of the Corporate Governance Code (the "**CG 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 joint auditors, and to approve the remuneration and terms of engagement of the external joint auditors; 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, significant adjustments resulting from audit, 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 CG 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 2022, 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 the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests and/or short positions in the Company

Director	Capacity/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)	75.0%
Dato' Tan Mein Kwang	Interest in controlled corporation[2]	471,000,000 (L)	75.0%
Mr. Tan Beng Sen	Interest in controlled corporation[2]	471,000,000 (L)	75.0%

Notes:

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

(2) These shares are held by MBV Capital Limited. The issued share capital of MBV Capital Limited 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 Limited in the Company under Part XV of the SFO.

Save as disclosed above, as at 31 December 2022, none of our Directors nor the chief executive of the 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 31 December 2022, so far as our 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 the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Capacity/nature of interest	Number of shares/ positions Held[5]	Approximate percentage of shareholding
MBV Capital Limited[1]	Beneficial Owner	471,000,000 (L)	75.0%
Dato' Tan Meng Seng[1]	Interest in a controlled corporation	471,000,000 (L)	75.0%
Dato' Tan Mein Kwang[1]	Interest in a controlled corporation	471,000,000 (L)	75.0%
Mr. Tan Beng Sen[1]	Interest in a controlled corporation	471,000,000 (L)	75.0%
Datin Kong Siew Peng[2]	Interest of spouse	471,000,000 (L)	75.0%
Ms. Foo Kim Foong[3]	Interest of spouse	471,000,000 (L)	75.0%
Datin Loi Siew Yoke[4]	Interest of spouse	471,000,000 (L)	75.0%

Notes:

1. These shares are held by MBV Capital Limited. The issued share capital of MBV Capital Limited is owned as to approximately 33.3% by each of Dato' Tan MS, Mr. Tan BS and Dato' Tan MK, and therefore, each of Dato' Tan MS, Mr. Tan BS and Dato' Tan MK are deemed to be interested in all the Shares registered in the name of MBV Capital Limited in the Company under Part XV of the SFO.

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

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

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

5. The letter "L" denotes long position in the shares held.

Save as disclosed above, as at 31 December 2022, the Directors are not aware of any other person (other than the Directors and chief executives of the Company) 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.

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 for the Year and up to the date of this announcement.

CORPORATE GOVERNANCE CODE

During the Year, the Board considered that the Company has complied with all the Code Provisions set out in the CG Code.

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 17 March 2023, Forever Silkscreen & Embroidery Sdn. Bhd. (the "**Forever Silkscreen**") and the Company entered into the renewed master service agreement (the "**2023 Master Service Agreement**") for a term of three financial years ending 31 December 2025, to continuously provide silkscreen printing and embroidery services by Forever Silkscreen to the Group, after the expiry of the master service agreement on 31 December 2022. 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 it is a connected person of the Company according to Chapter 14A of the Listing Rules. The transaction contemplated under the 2023 Master Service Agreement constitute continuing connected transactions of the Group under Chapter 14A of the Listing Rules. For details of the 2023 Master Service Agreement, please refer to the Company's announcements "Renewal of Continuing Connected Transaction" published on 17 March 2023.

Save as disclosed above, there are no significant post balance sheet events affecting the Company that have occurred since the end of the Year to the date of this announcement.

REVIEW OF FINANCIAL INFORMATION

The Group's annual results for the year ended 31 December 2022, including the accounting principles and practices adopted, have been reviewed by the Audit Committee in conjunction with the Company's external joint auditors. The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position and the related notes thereto for the year ended 31 December 2022 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, 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.