MBV INTERNATIONAL LIMITED
中國大人國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1957)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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 ended 31 December 2023 (the "**Year**").

FINANCIAL HIGHLIGHTS

- Revenue for the Year increased by approximately 6.1% year-to-year to approximately RM211.0 million, as compared with revenue of approximately RM198.9 million for the year ended 31 December 2022 (the "**Last Year**");

- Profit for the Year attributable to owners of the Company to approximately RM20.6 million;

- Basic earnings per share for the Year was RM3.28 (cents) as compared with basic earnings per share of RM2.41 (cents) for the Last Year; and

- The Board does not recommend the declaration of any dividend to shareholders of the Company for the Year (2022: Nil).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	Note	**2023** **RM'000**	2022 RM'000
Revenue	*4*	**211,017**	198,927
Cost of sales		**(148,194)**	(145,743)
Gross profit		**62,823**	53,184
Other income	*5*	**3,075**	2,813
Selling and distribution expenses		**(10,601)**	(9,709)
Administrative and other operating expenses	*6*	**(22,576)**	(22,123)
Reversal of impairment loss of trade receivables, net		**149**	284
Fair value changes in contingent consideration	*13*	**(612)**	–
Share of results of associates	*10*	**(1,374)**	–
Finance costs	*6*	**(64)**	(82)
Profit before tax	*6*	**30,820**	24,367
Income tax expenses	*7*	**(8,654)**	(7,697)
Profit for the year		**22,166**	16,670
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		**974**	1,630
Items that may be reclassified subsequently to profit or loss			
Exchange differences on consolidation		**8**	(919)
Other comprehensive income for the year		**982**	711
Total comprehensive income for the year		**23,148**	17,381
Profit for the year attributable to:			
Owners of the Company		**20,623**	15,104
Non-controlling interests		**1,543**	1,566
		22,166	16,670
Total comprehensive income for the year attributable to:			
Owners of the Company		**21,605**	15,815
Non-controlling interests		**1,543**	1,566
		23,148	17,381
		RM cents	*RM cents*
Earnings per share attributable to owners of the Company			
Basic and diluted	*8*	**3.28**	2.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Note	**2023** **RM'000**	2022 RM'000
Non-current assets			
Property, plant and equipment		**54,878**	29,783
Intangible assets		**1,004**	1,298
Investment in associates	*10*	**32,153**	–
Deposits paid for acquisition of property, plant and equipment		**–**	10,240
Deferred tax assets		**1,897**	1,686
		89,932	43,007
Current assets			
Financial assets at fair value through profit or loss ("**FVPL**")		**1,200**	1,359
Financial assets at amortised cost		**–**	750
Inventories		**41,496**	45,007
Trade and other receivables	*11*	**15,871**	17,167
Fixed deposit with a licensed bank		**102**	–
Bank balances and cash		**93,246**	79,156
		151,915	143,439
Current liabilities			
Trade and other payables	*12*	**7,461**	5,618
Contingent consideration payable	*13*	**31,156**	–
Interest-bearing borrowings		**969**	917
Lease liabilities		**651**	773
Tax payable		**227**	1
		40,464	7,309
Net current assets		**111,451**	136,130
Total assets less current liabilities		**201,383**	179,137
Non-current liabilities			
Interest-bearing borrowings		**4,665**	5,364
Lease liabilities		**172**	375
		4,837	5,739
NET ASSETS		**196,546**	173,398

	Note	2023 RM'000	2022 RM'000
Capital and reserves			
Share capital	*14*	**3,379**	3,379
Reserves		**188,246**	166,641
Equity attributable to owners of the Company		**191,625**	170,020
Non-controlling interests		**4,921**	3,378
TOTAL EQUITY		**196,546**	173,398

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 IFRS Accounting Standards issued by the International Accounting Standards Board (the "**IASB**"), which collective term includes all applicable individual IFRS Accounting Standards, IAS Standards and IFRIC 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 2022 consolidated financial statements except for the adoption of the new/revised IFRS Accounting Standards that are relevant to the Group and effective from the current period.

Changes in accounting policies

The Group has applied the following new/revised IFRS Accounting Standards which are relevant to the Group in the current period:

Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules

Amendments to IAS 1: Disclosure of Accounting Policies

The amendments require companies to disclose their material accounting policy information rather than their significant accounting policies. The Group's management has reviewed the disclosure of accounting policy information and considered it is consistent with the amendments.

Amendments to IAS 8: Definition of Accounting Estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

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

Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

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

Amendments to IAS 12: International Tax Reform-Pillar Two Model Rules

The amendments provide entities with temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's Pillar Two model rules. The Amendments also introduce targeted disclosure requirements to help investors understand an entity's exposure to income taxes arising from the rules.

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

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for the listed debt securities and listed equity securities classified as "Financial assets at FVPL" and contingent consideration payables which are measured at fair value, as explained in the accounting policies 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 IFRS Accounting Standards.

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, fair value changes in contingent consideration, share of results of associates, 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.

	Wholesaling	**Manufacturing**	**Total**
	RM'000	***RM'000***	***RM'000***
Year ended 31 December 2023			
Segment revenue	**196,515**	**14,502**	**211,017**
Segment cost of sales	**(139,135)**	**(9,059)**	**(148,194)**
Segment results	**57,380**	**5,443**	**62,823**
Other income			**3,075**
Selling and distribution expenses			**(10,601)**
Administrative and other operating expenses			**(22,576)**
Reversal of impairment loss of trade receivables, net			**149**
Fair value changes in contingent consideration			**(612)**
Share of results of associates			**(1,374)**
Finance costs			**(64)**
Profit before tax			**30,820**
Income tax expenses			**(8,654)**
Profit for the year			**22,166**
Other information			
Depreciation	**(2,228)**	**(60)**	**(2,288)**
Amortisation	**(340)**	**–**	**(340)**
Provision for write-down of inventories, net	**(983)**	**–**	**(983)**
Reversal of impairment loss of trade receivables, net	**149**	**–**	**149**

	Wholesaling	Manufacturing	Total
	RM'000	*RM'000*	*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

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 2023				
Assets				
Reportable segment assets	**83,652**	**4,339**	**153,856**	**241,847**
Liabilities				
Reportable segment liabilities	**6,457**	**1,004**	**37,840**	**45,301**
Other information				
Capital expenditures	**1,887**	**1,229**	**24,255**	**27,371**
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

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 2023			
Malaysia	**167,124**	**8,850**	**175,974**
Singapore	**29,391**	**5,652**	**35,043**
	196,515	**14,502**	**211,017**
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

(b) Location of the Specified Non-current Assets

	2023	2022
	RM'000	*RM'000*
Malaysia	**55,408**	30,452
Singapore	**474**	629
	55,882	31,081

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

	2023	2022
	RM'000	*RM'000*
Revenue from contracts with customers within IFRS 15 - at a point in time		
Wholesaling		
- Imprintable apparel	**158,148**	154,697
- Gift products	**38,367**	30,308
Manufacturing	**14,502**	13,922
	211,017	198,927

5. OTHER INCOME

	2023	2022
	RM'000	*RM'000*
Interest income	**1,871**	1,156
Dividend income	–	3
Exchange gain, net	**559**	669
Government grants *(Note i)*	**55**	353
Rental income	**87**	47
Sundry income	**503**	585
	3,075	2,813

Note:

(i) During the year ended 31 December 2023, government grants primarily consist of subsidy for transitional wage support for employers in Singapore.

During the year ended 31 December 2022, government grants primarily consist of the fiscal support that the relevant government authorities offered to the Group's entities for subsiding staff wages under COVID-19 in Malaysia and Singapore.

There was no unfulfilled condition or contingency relating to the government grants.

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	2023	2022
	RM'000	*RM'000*
Finance costs		
Interest on interest-bearing borrowings	**9**	8
Interest on lease liabilities	**55**	74
	64	82
Staff costs (including directors' emoluments)		
Salaries, discretionary bonus, allowances and other benefits in kind	**27,198**	24,121
Contributions to defined contribution plans	**2,970**	2,647
	30,168	26,768

	2023	2022
	RM'000	*RM'000*
Other items		
Cost of inventories sold *(Note i)*	**148,194**	145,743
Auditor's remuneration		
- Audit services	**965**	749
- Non-audit services	**114**	109
Amortisation (charged to "administrative and other operating expenses")	**340**	327
Depreciation (charged to "cost of sales" and "administrative and other operating expenses", as appropriate)	**2,288**	2,103
Lease payments on premises recognised as short-term lease	**290**	108
Loss on disposal of financial assets at FVPL	**–**	97
Loss on disposal of property, plant and equipment	**2**	–
Written-off of property, plant and equipment	**–**	264
Net fair value loss on financial assets at FVPL	**159**	830
Provision for (Reversal of) write-down of inventories, net (included in cost of inventories sold)	**983**	(4,819)

Note (i): During the year ended 31 December 2023, cost of inventories sold included approximately RM10,293,000 (2022: RM8,443,000) relating to the aggregate amount of certain staff costs, depreciation of intangible assets and property, plant and equipment, which were included in the respective amounts as disclosed above.

7. TAXATION

	2023	2022
	RM'000	*RM'000*
Current tax		
Malaysia corporate income tax		
Current year	**8,261**	5,131
(Over) Under-provision in prior year	**(774)**	716
	7,487	5,847
Singapore corporate income tax		
Current year	**1,295**	491
Under (Over)-provision in prior year	**83**	(95)
	1,378	396
	8,865	6,243
Deferred tax		
Changes in temporary differences	**(211)**	1,454
Total income tax expenses for the year	**8,654**	7,697

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 2023 and 2022. For the years ended 31 December 2023, Malaysia incorporated entities with paid-up capital of RM2.5 million or less and having gross business income of not more than RM50 million enjoy tax rate of 15% on the first RM150,000 and 17% on the next RM450,000 of the estimated assessable profits and remaining balance at tax rate of 24%. During the year ended 31 December 2022, 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 2023 and 2022. 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 2023 and 2022.

Reconciliation of income tax expenses

	2023	2022
	RM'000	*RM'000*
Profit before tax	**30,820**	24,367
Income tax at statutory tax rate applicable in respective territories	**7,084**	5,614
Non-deductible expenses	**2,377**	1,571
Tax concessions	**(116)**	(109)
(Over) Under-provision in prior year	**(691)**	621
Income tax expenses	**8,654**	7,697

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:

	2023	2022
	RM'000	*RM'000*
Profit for the year attributable to owners of the Company, used in basic and diluted earnings per share calculation	**20,623**	15,104
	'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 2023 and 2022.

9. DIVIDEND

The directors did not recommend a payment of any dividend for the year ended 31 December 2023 and 2022.

10. INVESTMENT IN ASSOCIATES

	2023	2022
	RM'000	*RM'000*
Unlisted shares, at cost	**32,153**	–

Details of the associates at the end of the reporting period are as follows:

Name of associates	**Principal place of business and place of incorporation**	**Class of shares held**	**Proportion of value of issued/ registered capital held by the Company**		**Principal activities**
			Directly	**Indirectly**	
Lordan Group Ltd. ("**Lordan**")	The Cayman Islands	Ordinary	–	40%	Investment holding
China Daren Group Limited ("**China Daren**")	Hong Kong	Ordinary	–	40%	Investment holding
大仁科技(深圳)有限公司 Daren Technology (Shenzhen) Co., Ltd.* ("**Daren Technology**") (the "**WFOE**")	The PRC	Paid-up capital	–	40%	Investment holding
大人數科(北京)科技集團有限公司 Daren Digital Science (Beijing) Technology Co., Ltd.* ("**Daren Digital**")	The PRC	Paid-up capital	–	40%	Service provider in digitalisation and e-commerce transformation of physical businesses
北京首科迅達科技有限公司 Beijing Shoukexunda Technology Co., Ltd.* ("**Shouke Xunda**")	The PRC	Paid-up capital	–	40%	Inactive
北京極樂互娛科技有限公司 Beijing Jilehuyu Technology Co., Ltd.* ("**Jile Huyu**")	The PRC	Paid-up capital	–	40%	Inactive

* *English translation for identification purposes only.*

All of the above associates are accounted for using the equity method in the consolidated financial statements.

On 1 September 2023, the Group entered into a non-legally binding framework agreement (the "**Framework Agreement**") with Belcher Ventures Investment Ltd., an independent third party incorporated in the BVI (the "**Vendor**") as vendor, pursuant to which the Group intends to acquire (the "**Proposed Acquisition**") 45% of all issued shares in Lordan Group Ltd. ("**Lordan**") and its subsidiaries (together the "**Lordan Group**"). Lordan is an exempted company incorporated in the Cayman Islands with limited liability. It is an investment holding company and it was a wholly owned subsidiary of the Vendor.

On 6 November 2023, the Group and the Vendor entered into a conditional share purchase agreement in relation to the Proposed Acquisition (the "**Share Purchase Agreement**"). Pursuant to which the Group conditionally agreed to acquire, and the Vendor conditionally agreed to sell 20,000 shares in Lordan (the "**Sale Shares**") held by the Vendor, representing 40% of the issued share capital of Lordan at the consideration of HK$57,218,250 (equivalent to approximately RM34,139,000). Upon completion, the Group will hold 40% of the issued share capital of Lordan. The consideration was arrived at after arm's length negotiations between the Vendor and the Group, and assessed by Peak Vision, an independent valuer, adopting the market approach.

All the conditions precedent set out in the Share Purchase Agreement have been fulfilled and the completion took place on 29 November 2023. Upon completion, the Group holds 40% of the issued share capital of the Lordan, and it has become an associate of the Group. Initial cash consideration of HK$5,000,000 (equivalent to approximately RM2,983,000) was paid and fair value of contingent consideration payable of approximately RM30,544,000 were recognised upon completion.

Upon completion of registration of Daren Technology as a wholly foreign-owned enterprise in the PRC (the "**WFOE**"), China Daren hold the entire registered capital of the WFOE. Through certain contractual arrangements, the WFOE has effective control over Daren Digital (the "**OPCO**") and its subsidiaries, including (a) Jile Huyu; and (b) Shouke Xunda (together the "**OPCO VIE Companies**"), and enjoy the economic benefits generated by the OPCO VIE Companies.

The Group is principally engaged in the sale of imprintable apparel and gift products in Malaysia and Singapore. With the re-opening of global economy after the COVID-19 pandemic, the Group's management observes that digitalisation of physical retail businesses and global online sales are the current trends in the sector. The Group has been vigilant to changes in business environment and continuously explore new business opportunities in Asian countries such as the PRC in order to achieve sustained success for the Group's business under the present circumstances.

The Group's management considers that the acquisition of the associates will help broaden the Group's scope of business with OPCO VIE Companies' established software as a service ("**SaaS**") business, introduce a new source of revenue and growth to the Group, enhance the Group's competitive advantage in the e-commerce sector, expand the Group's business into the PRC market.

Relationship with associates

Lordan is an exempted company incorporated in the Cayman Islands with limited liability. It is an investment holding company.

China Daren is a private company incorporated in Hong Kong with limited liability. It is an investment holding company and a wholly owned subsidiary of Lordan.

Daren Technology as a wholly foreign-owned enterprise in the PRC. it is an investment holding company and a wholly owned subsidiary of China Daren.

Daren Digital is a company established in the PRC with limited liability and principally engaged in the business of provision of services in digitalisation and e-commerce transformation of physical businesses in the PRC. Daren Digital is wholly owned by Daren Digital registered shareholders but beneficially owned and controlled by Daren Technology pursuant to certain contractual arrangements signed between Daren Technology and Daren Digital registered shareholders.

Shouke Xunda is a company established in the PRC with limited liability. Shouke Xunda does not have any operations, it is contemplated that in the financial year ending 31 December 2024, it will engage in the business of technical development, technical services, e-commerce, supply chain and online marketing services for clients engaged in the upstream supply chain sector in the PRC. Shouke Xunda is a wholly owned subsidiary of Daren Digital.

Jile Huyu is a company established in the PRC with limited liability. Jile Huyu does not have any operations, it is contemplated that in the financial year ending 31 December 2024, it will engage in the business of technical development, technical services, e-commerce and online marketing services for offline retailers engaged in the cosmetics, hospitality and tourism sectors in the PRC. Jile Huyu is a wholly owned subsidiary of Daren Digital.

Fair Value of investments

At the end of the reporting period, the Group's associates are private companies and there is no quoted market price available for the investments.

Impairment testing

The Group has engaged independent professional valuers, Peak Vision to perform appraisal of the valuation of the investment in associates for the purpose of impairment assessment. At 31 December 2023, based on the valuation report prepared by Peak Vision, the enterprise value of investment in associates was determined based on fair value less cost of disposal ("**FVLCD**") by the Group's management.

In determining the FVLCD of the associate, the Group's has adopted market approach (level 3 fair value measurements). Several companies with business scopes and operations similar to the investment in associates were adopted as comparable companies. The comparable companies were selected mainly with reference to the following selection criteria:

(i) companies that are actively traded and publicly listed in Hong Kong and the PRC;

(ii) companies that are mainly engaged in the provision of online services, software and advertising and marketing services;

(iii) companies that are loss making;

(iv) over 70% of the revenue are derived from the provision of e-commerce services and solutions to merchants;

(v) over 70% of the revenue are derived in the PRC and Hong Kong; and

(vi) shares of the comparable companies are listed for more than 1 year.

Key assumptions used for FVLCD calculations for investment in associates are as follows:

	2023
Enterprise value ("**EV**") divided by sales ratio ("**S**") ("**EV/S**" ratio)	**0.95~6.30**
Discounts for lack of marketability ("**DLOM**")	**20%**

At 31 December 2023, the recoverable amount of investment in associates calculated based on FVLCD exceeded carrying value by approximately RM7,367,000 ("**headroom**"), and no impairment on the investment in associates was recognised.

The following table indicates how the amounts of headroom would have decreased if certain key assumptions used in the forecast had changed, assuming all other assumptions remained constant:

	2023 Headroom decreased by *RM'000*
If EV/S decreases by 0.5%	**198**
If DLOM increases by 0.5%	**49**

Financial information of associates

Summarised financial information of the Lordan Group is set out below, which represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards and adjusted by the Group for equity accounting purposes including any differences in accounting policies and fair value adjustments.

At 31 December 2023	**Lordan Group** *RM'000*
Gross amount	
Current assets	**33,393**
Non-current assets	**21,149**
Current liabilities	**(61,164)**
Non-current liabilities	**(789)**
Equity	**(7,411)**
Reconciliation	
Gross amount of equity	**(7,411)**
Group's ownership interests	**40%**
Group's share of equity	**(2,964)**
Goodwill	**35,117**
Carrying amount of interests	**32,153**

Period from 29 November 2023 to 31 December 31 December 2023	Lordan Group *RM'000*
Gross amount	
Revenue	**5,294**
Net loss	**(3,435)**
Other comprehensive income	–
Total comprehensive loss	**(3,435)**
Group's ownership interests	**40%**
Group's share of results	**(1,374)**

11. TRADE AND OTHER RECEIVABLES

	Note	**2023** ***RM'000***	2022 *RM'000*
Trade receivables			
From third parties		**9,533**	8,591
Less: Loss allowances		**(1,097)**	(1,246)
	(a)	**8,436**	7,345
Other receivables			
Prepayments		**480**	1,263
Deposits paid to suppliers *(Note)*		**6,198**	8,141
Other deposits and receivables		**757**	418
		7,435	9,822
		15,871	17,167

Note: The balances at 31 December 2023 and 2022 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:

	2023	2022
	RM'000	*RM'000*
Within 30 days	**6,476**	5,279
31 to 60 days	**1,784**	1,739
61 to 90 days	**133**	304
Over 90 days	**43**	23
	8,436	7,345

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

	2023	2022
	RM'000	*RM'000*
Not yet due	**7,531**	6,385
Past due:		
Within 30 days	**808**	743
31 to 60 days	**97**	217
	905	960
	8,436	7,345

The Group normally grants credit terms up to 60 days (2022: up to 60 days) from the date of issuance of invoices.

12. TRADE AND OTHER PAYABLES

	Note	2023 RM'000	2022 RM'000
Trade payables			
To a related party	*(a)*	**430**	383
To third parties		**1,089**	985
	(b)	**1,519**	1,368
Other payables			
Salary payables		**3,554**	1,642
Other accruals and other payables		**2,388**	2,608
		5,942	4,250
		7,461	5,618

(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 (2022: Up to 30 days).

	2023 RM'000	2022 RM'000
Forever Silkscreen & Embroidery Sdn. Bhd. ("**Forever Silkscreen**") *(Note)*	**430**	383

Note: At 31 December 2023 and 2022, 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 (2022: 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:

	2023	2022
	RM'000	*RM'000*
Within 30 days	**1,000**	1,114
31 to 60 days	**518**	254
61 to 90 days	**1**	–
	1,519	1,368

13. CONTINGENT CONSIDERATION PAYABLE

Reconciliation of carrying amount	**2023**
	RM'000
At the beginning of the reporting period	**–**
Arising from acquisition of Lordan *(Note 10)*	**30,544**
Change in fair value recognised in profit or loss	**612**
At the end of the reporting period	**31,156**

In connection with the acquisition of Lordan Group as set out in Note 10, the total consideration of HK$57,218,250 (equivalent to approximately RM34,139,000) shall be settled by the Group in cash in the following manner:

(a) the Group shall pay HK$5,000,000 (equivalent to approximately RM2,983,000 (the "**First Payment**") to the Vendor at completion;

(b) if the audited accounts show the consolidated revenue of the OPCO VIE Companies for the year ended 31 December 2023 being no less than RMB100,000,000 (equivalent to approximately RM64,776,000) (the "**2023 Revenue Target**"), then the Group shall pay HK$52,218,250 (equivalent to approximately RM31,156,000), being the balance of the consideration (the "**Second Payment**") to the Vendor on or before 30 April 2024.

If the audited accounts for the year ended 31 December 2023 shows the OPCO VIE Companies fails to attain the 2023 Revenue Target, then the Group shall not be liable to pay the Second Payment to the Vendor, but the Vendor shall, within 10 business days after receiving a notice in writing from the Group, refund the First Payment in full to the Group, and the Group shall upon full receipt of such refund transfer to the Vendor all of the Sale Shares then held by the Group.

The initial valuation of the contingent consideration payable is valued by Peak Vision Appraisals Limited ("**Peak Vision**"), an independent valuer and is mainly based on the latest financial information of OPCO VIE Companies for the 11 months ended 30 November 2023 and OPCO VIE Companies' financial performance forecasts for the year ended 31 December 2023 prepared by the management of the OPCO VIE Companies. Accordingly, the fair value of the contingent consideration payable was estimated to be approximately RM30,544,000 as at the acquisition date (i.e. 29 November 2023). Monte Carlo Simulation Method is used for the valuation of contingent consideration payable which is commonly adopted in the market. It was first introduced to finance in 1964 by David B. Hertz through his Harvard Business Review article, and in 1977, Prelim Boyle pioneered the use of simulation in derivative valuation in his seminal Journal of Financial Economics paper.

Since the OPCO VIE Companies attains the 2023 Revenue Target for the year ended 31 December 2023, the consideration payable of HK$52,218,250 (equivalent to approximately RM31,156,000) will be settled on or before 30 April 2024.

Key inputs adopted in the calculation of the fair value of contingent consideration payable are summarised below:

	As at 29 November 2023
Discount rate	**4.9%**
Volatility	**4.6%**
Time to Maturity	**121 days**

The description of sensitivity of changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Financial liabilities	**Fair value hierarchy**	**Valuation techniques**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
Contingent consideration payable	Level 3	Monte-Carlo Simulation	Discount rate	The higher the discount rate, the lower the fair value, vice versa
			Volatility	The higher the volatility rate, the lower the fair value, vice versa

The only financial liability subsequently measured at fair value on Level 3 fair value measurement represents contingent consideration payable relating to the acquisition of Lordan. The fair value changes that are recognised in profit or loss for contingent consideration payable amounted to RM612,000 (2022: Nil) for the year ended 31 December 2023.

14. 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 2022, 31 December 2022, **1 January 2023 and 31 December 2023**	**5,000,000**	**50,000**	**25,636**
Issued and fully paid:			
At 1 January 2022, 31 December 2022, **1 January 2023 and 31 December 2023**	**628,000**	**6,280**	**3,379**

MANAGEMENT DISCUSSION AND ANALYSIS COMPANY BACKGROUND

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 28 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.

On 29 November 2023, the Company completed the acquisition of 40% shares in Lordan Group Ltd. which, through the entities controlled by it in the People's Republic of China (the "**PRC**") (collectively the "**Daren Group**"), operates a business of provision of services in digitalisation and e-commerce transformation of physical businesses in the PRC, covering major cities in the PRC such as Beijing, Hangzhou, Xiamen and Guangzhou. The Group expects that the Daren Group will help the Group grow its principal business by, among things, opening new retail sales channels for the Group and strengthening the Group's sales and marketing efforts into the PRC retail market, and introducing artificial intelligence in the Group's production and sales process. Details on the aforesaid acquisition and the Daren Group are set out in the Company's announcements dated 6, 20 and 29 November 2023 respectively.

The issued shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 8 July 2020. To reflect the Group's plan to expand into the PRC market, the Group has adopted "中國大人國際有限公司" as its Chinese name on 4 January 2024. Details on the aforesaid adoption of Chinese name are set out in the Company's announcements dated 4 December 2023, 27 December 2023 and 29 January 2024 and the Company's circular dated 5 December 2023 respectively.

Financial Overview

For the year ended 31 December 2023 (the "**Year**"), the Group's revenue and gross profit increased by approximately 6.1% and 18.1%, respectively, as compared to last corresponding year ended 31 December 2022 (the "**Last Year**"). The increase in sales was mainly attributable to the higher consumer spending due to the improved sentiment following the recovery of the country's economy as well as the reopening of Singapore's economy. The increase in gross profit was mainly attributable to the increase in sales and Company manage to negotiate lower cost from main suppliers boosting the gross profit margin.

The economic outlook for year 2024 will remain uncertain and challenging. Nevertheless, the Group will continue to remain prudent and maintain a healthy cash flow position as part of our measures to mitigate risks, while ensuring a solid financial position to seize opportunities that will enhance revenue.

DIVIDEND

The Company did not recommend the declaration of any dividend for the Year (2022: Nil).

Revenue by products

The Group's product portfolio is broadly categorised into (i) imprintable apparel; and (ii) gift products. The Group's revenue was primarily generated from Malaysia which accounted for approximately 83.4% (2022: approximately 82.8%) of the Group's total revenue for the Year. With positively impacted by higher consumer spending on improved sentiment following the recovery of the country's economy, the Group's revenue has increased by approximately RM12.1 million or 6.1% from approximately RM198.9 million in the Last Year to approximately RM211.0 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 RM4.0 million or 2.4% from approximately RM168.6 million in the Last Year to approximately RM172.6 million in the Year, which was mainly attributable to the increase in the quantity sold by approximately 2.1% in the Year compared to the Last Year, primarily due to the positive impact from higher consumer spending as a result of improved sentiment following the recovery of the country's economy as well as reopening of Singapore's economy.

Gift products

The Group has broadened 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 RM8.1 million or 26.7% from approximately RM30.3 million in the Last Year to approximately RM38.4 million in the Year, which was mainly attributable to the increase in the quantity sold by approximately 26.6% in the Year compared to the Last Year, primarily due to the positive impact from higher consumer spending as a result of improved sentiment following the recovery of the country's economy as well as reopening of Singapore's economy.

Selling and distribution costs

Selling and distribution costs for the Year increased by approximately 9.3% to approximately RM10.6 million (2022: approximately RM9.7 million), which was in line with the increment in sales.

Administrative and other operating expenses

Administrative and other operating expenses primarily comprised 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 RM0.5 million or 2.3%, from approximately RM22.1 million in the Last Year to approximately RM22.6 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 represented 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 consisted 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 had 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 RM1.0 million or 13.0% to approximately RM8.7 million from approximately RM7.7 million in the Last Year. The increase in income tax expenses was mainly due to the increase in profit before tax generated in the Year.

Financial Position

As at 31 December 2023, the Group's cash and cash equivalents amounted to approximately RM93.2 million (as at 31 December 2022: approximately RM79.2 million). The increase was mainly due to increase in net cash inflow from the operating activities.

OUTLOOK

The Group is principally engaged in the sale of imprintable apparel and gift products in Malaysia and Singapore. With the re-opening of global economy after the COVID-19 pandemic, the Group has been vigilant to changes in business environment and continuously explore new business opportunities in Asian countries such as the PRC in order to achieve sustained success for our business under the present circumstances. As at 29 November 2023, the Group acquire 40% of the issued shares in Lordan Group Ltd which become an associate of the Group. The Acquisition will help broaden the Group's scope of business with OPCO's already established software as a service (SaaS) business, introduce a new source of revenue and growth to the Group, enhance the Group's competitive advantage in the e-commerce sector, expand the Group's business into the PRC market and maximise return to the Company and its Shareholders (the "**Shareholders**") as a whole in the long run.

However, there remains significant uncertainty on the extent of the continuous impact from the Pandemic and the negative cross-border effects from the geo-political conflicts. These will result in uncertainties in the global economy. We expect financial year 2024 to remain challenging to the Group. The Directors will focus its efforts to closely monitor and review its business strategies and strive to create long term sustainable value for our Company and the Shareholders in spite of the Pandemic.

Notwithstanding that the Group will continue expand its market shares by increasing and enhancing the warehouse capabilities 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 the 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 2023, the Group had bank balances and cash amounting to approximately RM93.2 million (as at 31 December 2022: approximately RM79.2 million), and current assets and current liabilities of approximately RM151.9 million (as at 31 December 2022: approximately RM143.4 million) and approximately RM40.5 million (as at 31 December 2022: approximately RM7.3 million) respectively. It should be noted that net current assets balances as at 31 December 2023 was approximately RM111.5 million (as at 31 December 2022: approximately RM136.1 million).

As at 31 December 2023, there were interest-bearing borrowings of approximately RM5.6 million (as at 31 December 2022: approximately RM6.3 million) and unutilized bank facilities of approximately RM18.6 million. As at 31 December 2023, the Group's interest-bearing borrowings carried mainly variable rate borrowings with annual effective interest rate of 0.2% (as at 31 December 2022: 0.1%) 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 2023, 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 3.3% (as at 31 December 2022: approximately 4.3%). 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 2023, the Group employed 437 (as at 31 December 2022: 447) 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 2023 amounted to approximately RM30.2 million (2022: approximately RM26.8 million).

The Group provides on-job training to new employees. During the Year, the Group has 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 2023, the Group had no capital commitments (as at 31 December 2022: approximately RM14.2 million).

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

Save for the investment in Lordan as disclosed in note 10 to the consolidated financial statements in this announcement, there was no other significant investments held, nor were there material acquisition or disposal of subsidiaries during the Year under review, and the Group did not have any specific plan for material investments or capital assets as at 31 December 2023.

CONTINGENT LIABILITIES

As at 31 December 2023, 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 "**Shares**") were listed on the Main Board of the Stock Exchange. After deducting share issuance expense and professional fee regarding to the global offering, i.e. the issuance of 157,000,000 Shares by the Company at the offer price of HK$0.80 per Share, the net proceeds amounted to approximately HK$60.3 million (the "**Net Proceeds**").

As stated in the Company's announcement dated 6 November 2023, the Board of Directors of the Company (the "**Board**") resolved to change in the use of the portion of the Net Proceeds which remains unutilised, amounting to approximately HK$46.5 million, to funding the settlement of the consideration for the Acquisition of the Target Company.

The followings table sets forth the original allocation, the revised allocation, and actual use as of 31 December 2023:

The following sets out the use of net proceeds:

	Planned use of Net Proceeds	**Balance of unutilised proceeds before the change in use of Net Proceeds**	**Revised allocation of unutilized Net Proceeds**	**Actual use of Net Proceeds as at 31 December 2023**	**Balance of unutilised Net Proceeds as at 31 December 2023**	**Expected timeline for unutilised Net Proceeds**
	HK$ million	***HK$ million***	***HK$ million***	***HK$ million***	***HK$ million***	
Increase and enhancement to existing warehousing capabilities	22.3	22.3	0.0	0.0	0.0	N/A
Strengthen the sales and marketing efforts	14.4	11.7	0.0	0.0	0.0	N/A
Establishment of two new distribution centers	4.8	1.7	0.0	0.0	0.0	N/A
Investment in information systems	8.6	5.6	0.0	0.0	0.0	N/A
Development in e-commerce sales platform	6.1	5.2	0.0	0.0	0.0	N/A
General working capital purposes	4.1	0.0	0.0	0.0	0.0	N/A
Consideration of acquire Lordan Group Ltd	0.0	0.0	46.5	5.0	41.5	April 2024
	60.3	46.5	46.5	5.0	41.5	

As at 31 December 2023, approximately HK$41.5 million (representing approximately 68.8% of the Net Proceeds) 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 announcement dated 6 November 2023.

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 (the "**Audit Committee**") on 28 February 2020 in compliance with the code provision of the Corporate Governance Code (the "**CG Code**") set out in Appendix C1 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 chairlady 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 C1 of the Listing Rules and disclosure in the Corporate Governance Report.

INTERESTS OF DIRECTORS AND THE CHIEF EXECUTIVE

As at 31 December 2023, 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 for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules (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%
Datin Kong Siew Peng	Interest of spouse	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 2023, 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 2023, 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 2023, 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

The Company has adopted the Chinese name "中國大人國際有限公司" as the dual foreign name of the Company with effect from 1 February 2024.

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 2023, 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 2023 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, 28 March 2024

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