

FNSX Code: MTL

22 September 2022

Manalto and Xingwen Shi Hai Dong Tian Liquor Ltd., Co. Binding Memorandum Agreement

On 15 September 2022 Manalto International Ltd (“MTL or the Company”) entered a Binding Memorandum of Understanding (“MOU”) with Xingwen Shihai Dongtian Liquor Co., Ltd (Shihai). This meeting is held by zoom, Shihai’s director Haitao Zhang and MTL’s director Qi Cao attended the meeting to discuss this MOU and Manalto’s acquisition of Shihai.

The Binding Memorandum of understanding agreement has included new share issuing and other director duties:

- The Company will issue shares to the shareholders of Shihai; and
- The shareholders of Shihai will agree to sell Shihai ‘s shares to the Company with the valuation of no less than RMB 200,000,000.00
- The official MOU will be announced in the upcoming FNSX announcement.

The result of this transaction is that:

- the current shareholders of Shihai will hold the issued share capital in the Company; and
- the Company will hold 30% of the total issued share capital in Shihai.

Directors have made every effort to ensure that this transaction is in the best interests of the Company and to achieve fair valuation, there is no way of knowing how the market may react to the acquisition. Accordingly, the approval of this transaction may result in increased volatility of share price, an unexpected increase in share price, or a potential decrease in share price as a result of market sentiment toward the transaction. Any such losses or gains will only be realised by shareholders should they choose to exit their holding following the approval of these resolutions.

The Company does not presently have any plans for a change in the management structure or direction of Shihai. Likewise, the memorandum of understanding signed between the Company and Shihai does not provide Shihai with any right to alter the management structure or direction of the Company. Both the Company and Shihai are exploring potential synergies which can add value to both businesses, particularly the possibility of a more international distribution and scope for Shihai products. These potential synergies remain in the analysis phase at this point and there is no guarantee or assurance that they will be realised.

Shanghai Allbright Law firm is the official law firm appointed on this matter.



Qi Cao  
Director