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**Min Fu International Holding Limited**  
**民富國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8511)**

**ANNUAL RESULTS ANNOUNCEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (the “**Directors**”) of Min Fu International Holding Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

## RESULTS

The board of Directors (the “**Board**”) of the Company presents the audited consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 March 2023, together with the comparative audited figures for the year ended 31 March 2022 as follows:

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	<b>2023</b> <b>HK\$’000</b>	2022 <i>HK\$’000</i>
Revenue	4	<b>31,974</b>	31,514
Cost of sales	5	<u>(22,271)</u>	<u>(18,946)</u>
<b>Gross profit</b>		<u><b>9,703</b></u>	<u>12,568</u>
Selling and marketing expenses	5	(2,552)	(4,345)
Administrative expenses	5	(24,509)	(18,338)
Provision for impairment of trade receivables		(1,571)	(11)
Impairment of non-financial assets		(7,015)	–
Other income	6	740	234
Other (losses)/gains – net	6	<u>(640)</u>	<u>823</u>
<b>Operating loss</b>		<u><b>(25,844)</b></u>	<u>(9,069)</u>
Finance costs	5	<u>(934)</u>	<u>(286)</u>
<b>Loss before income tax</b>		<u><b>(26,778)</b></u>	<u>(9,355)</u>
Income tax (expenses)/credit	7	<u>(1,634)</u>	<u>110</u>
<b>Loss for the year</b>		<u><b>(28,412)</b></u>	<u>(9,245)</u>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(3,506)</u>	<u>2,383</u>
<b>Other comprehensive (loss)/income for the year, net of income tax</b>		<u><b>(3,506)</b></u>	<u>2,383</u>
<b>Total comprehensive loss for the year</b>		<u><b>(31,918)</b></u>	<u>(6,862)</u>

	<i>Notes</i>	<b>2023</b> <b><i>HK\$'000</i></b>	2022 <i>HK\$'000</i>
<b>Loss for the year attributable to:</b>			
The owners of the Company		(28,251)	(9,245)
Non-controlling interest		<u>(161)</u>	<u>–</u>
		<u>(28,412)</u>	<u>(9,245)</u>
<b>Total comprehensive loss for the year attributable to:</b>			
The owners of the Company		(31,756)	(6,862)
Non-controlling interest		<u>(162)</u>	<u>–</u>
		<u>(31,918)</u>	<u>(6,862)</u>
<b>Loss per share</b>			
<b>– Basic and diluted (HK\$)</b>	<i>8</i>	<u><u>(0.07)</u></u>	<u><u>(0.02)</u></u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	<b>2023</b> <b>HK\$'000</b>	2022 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		9,714	10,137
Right-of-use assets		7,413	41
Intangible assets		8,282	6,748
Prepayments		5,142	7,340
		<u>30,551</u>	<u>24,266</u>
<b>Current assets</b>			
Trade receivables	10	12,425	15,942
Other receivables		1,545	1,431
Prepayments		9,303	25,880
Restricted cash		3,823	506
Cash at banks and on hand		4,301	3,738
		<u>31,397</u>	<u>47,497</u>
<b>Total assets</b>		<b><u>61,948</u></b>	<b><u>71,763</u></b>
<b>CAPITAL AND RESERVERS</b>			
Share capital		375	312
Other reserves		59,759	58,027
Accumulated losses		(30,197)	(1,946)
<b>Equity attributable to owners of the Company</b>		<b>29,937</b>	<b>56,393</b>
Non-controlling interests		(39)	–
<b>Total equity</b>		<b><u>29,898</u></b>	<b><u>56,393</u></b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		4,949	–
Deferred tax liabilities		1,267	368
		<u>6,216</u>	<u>368</u>
<b>Current liabilities</b>			
Trade payables	11	689	1,600
Other payables		13,285	10,452
Contract liabilities		3,352	423
Borrowings		5,543	2,467
Current income tax liabilities		426	41
Lease liabilities		2,539	19
		<u>25,834</u>	<u>15,002</u>
<b>Total liabilities</b>		<b><u>32,050</u></b>	<b><u>15,370</u></b>
<b>Total equity and liabilities</b>		<b><u>61,948</u></b>	<b><u>71,763</u></b>

# NOTES

## 1 GENERAL INFORMATION

Min Fu International Holding Limited (the “**Company**”) was incorporated in the Cayman Islands on 23 June 2017 as an exempted company with limited liability. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 20 April 2018. The address of its registered office is Offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company and its subsidiaries consist of i) smart manufacturing solutions business and ii) agency services for burial business in the People’s Republic of China (the “**PRC**”).

These consolidated financial statements are presented in Hong Kong dollar (“**HK\$**”), which is the Company’s functional currency, and all values are rounded to the nearest thousand unless otherwise stated. These consolidated financial statements have been approved for issue by the board of directors (the “**Board**”) of the Company on 27 June 2023.

## 2 BASIS OF PREPARATION

### (a) Compliance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**Listing Rules**”)

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations. These consolidated financial statements also comply with applicable disclosures provisions of the Listing Rules and with the disclosure requirements of the Hong Kong Companies Ordinance. Significant accounting policies adopted by the Group are discussed below.

### (b) Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on fair value of the consideration given in exchange for goods and services.

### (c) Amended standards adopted by the Group

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2022 for the preparation of the consolidated financial statements:

Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements Project	Annual Improvements to HKFRS Standards 2018-2020
Revised to Accounting Guideline 5	Merger Accounting for Common Control Combinations

None of these amendments have had a material effect on how the Group's financial performance and financial position for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

**(d) New standards, amendments to standards and interpretations not yet adopted**

The Group has not applied any new standard, amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 April 2022. The new standard, amendments to standards and interpretation include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies	1 January 2023
Amendments to HKAS 8 – Definition of Accounting Estimates	1 January 2023
Amendments to HKAS 12 – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to HKFRS 17 – Insurance Contracts	1 January 2023
Amendments to HKFRS 16 – Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024

The Group has already commenced an assessment of the impact of these new or revised standards and amendments. According to the preliminary assessment made by the Group, no significant impact on the financial performance and position of the Group is expected when they become effective.

### 3 SEGMENT INFORMATION

The Group manages its businesses by business operations in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") being the executive directors of the Company, for the purposes of resource allocation and performance assessment. The Group's reportable and operating segments are as follows:

- smart manufacturing solutions business: sales of equipment and provision of relevant technical service in the PRC; and
- burial business: agency services for sale of burial plots and columbarium units in the PRC

#### Segment results

Segment results represent the loss before income tax from each segment except for the unallocated corporate expenses, being central administrative costs. Segment assets and liabilities are not presented in the consolidated financial statements as they are not regularly reviews by the Group's CODM.

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resource allocation and assessment of segment performance for the year is set out below:

	<b>For the year ended 31 March 2023</b>		
	<b>Smart Manufacturing Solutions Business HK\$'000</b>	<b>Burial Business HK\$'000</b>	<b>Total HK\$'000</b>
Reportable segment revenue	<b>30,669</b>	<b>1,305</b>	<b>31,974</b>
Reportable segment loss	<b>(13,373)</b>	<b>(6,367)</b>	<b>(19,740)</b>
Central administrative expenses			<b>(7,038)</b>
Loss before income tax			<b><u>(26,778)</u></b>

For the year ended 31 March 2023

	<b>Smart Manufacturing Solutions Business HK\$'000</b>	<b>Burial Business HK\$'000</b>	<b>Unallocated HK\$'000</b>	<b>Total HK\$'000</b>
Amounts included in the measure of segment loss:				
Depreciation				
– Property and equipment	1,589	–	–	1,589
– Right-of-use assets	38	2,562	–	2,600
Amortisation of intangible assets	2,746	–	–	2,746
Income tax expenses	1,634	–	–	1,634
Impairment of trade receivables	1,571	–	–	1,571
Impairment loss				
– Property and equipment	2,112	–	–	2,112
– Intangible assets	1,801	–	–	1,801
– Prepayments	3,102	–	–	3,102
Interest expenses	324	610	–	934
Interest income	22	–	–	22
Addition of non-current assets	<b>10,616</b>	<b>12,400</b>	<b>–</b>	<b>23,016</b>

For the year ended 31 March 2022, the Group is principally engaged in the provision of smart manufacturing solutions of precision testing, which comprises the sales of precision testing equipment as well as the provision of technical services. Management reviews the operating results of the business as one segment to make decisions about resources to be allocated. Therefore, the executive directors of the Company regard that there is only one segment which is used to make strategic decisions. Revenue and loss before income tax are the measure reported to the executive directors of the Company for the purpose of resources allocation and performance assessment. Accordingly, only entity-wide disclosure, geographic information and major customers are presented.

All of the Group's revenue was derived in the PRC during the years ended 31 March 2023 and 2022.

All of the Group's non-current assets were located in the PRC as at 31 March 2023 and 2022.

#### 4 REVENUE

Revenues from contracts with customers within the scope of HKFRS 15:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
<b>Precision 3D testing solutions</b>		
– Sales of equipment	29,642	27,569
– Technical services	<u>1,027</u>	<u>3,945</u>
	<u>30,669</u>	<u>31,514</u>
<b>Burial Business</b>		
– Agency services for sale of burial plots and columbarium units	<u>1,305</u>	<u>–</u>
Total	<u><u>31,974</u></u>	<u><u>31,514</u></u>

Revenues from transactions with external customers amounted to 10% or more of the Group's revenues are as follows:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A <sup>#</sup>	10,875	10,339
Customer B <sup>#</sup>	Not applicable*	5,659
Customer C <sup>#</sup>	Not applicable*	3,242
Customer D <sup>#</sup>	Not applicable*	3,229
Customer E <sup>#</sup>	9,121	Not applicable*
Customer F <sup>#</sup>	<u>3,996</u>	<u>Not applicable*</u>

\*: The revenue of each customer for the year is less than 10% of the Group's revenue for the respective year.

<sup>#</sup>: Income from smart manufacturing solutions business.

The Group does not disclose information about remaining unsatisfied performance obligations for the year as permitted under the practical expedient in accordance with HKFRS 15 as their original expected duration is less than one year.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Timing of revenue recognition:		
– Service recognised at a point in time	2,332	3,945
– Sales of goods recognised at a point in time	<u>29,642</u>	<u>27,569</u>
	<u><u>31,974</u></u>	<u><u>31,514</u></u>

## 5 EXPENSES BY NATURE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Cost of goods sold	22,271	18,805
Outsourced research and development expenses*	3,009	3,595
Staff costs (including directors' emoluments)	10,205	6,865
Professional fees	2,083	2,766
Entertainment expenses	972	2,037
Depreciation and amortisation, included in administrative expenses		
– property and equipment	1,589	481
– right-of-use assets	2,600	289
– intangible assets	2,746	2,274
Travelling expenses	636	841
Auditor's remuneration	900	950
Other expenses	2,321	2,726
	<hr/>	<hr/>
Total cost of sales, selling and marketing expenses and administrative expenses	<b>49,332</b>	<b>41,629</b>
	<hr/> <hr/>	<hr/> <hr/>
Interest on borrowings	268	279
Interest on lease liabilities	666	7
	<hr/>	<hr/>
Finance costs	<b>934</b>	286
	<hr/> <hr/>	<hr/> <hr/>

\* For the year ended 31 March 2023, no outsourced research and development expenses have been recognised as intangible assets (2022: Nil).

**6 OTHER INCOME AND OTHER GAINS/(LOSSES) – NET**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Other income		
– Government grants ( <i>Note a</i> )	<b>671</b>	16
– Gain on termination of lease	<b>22</b>	–
– Interest income from bank deposits	<b>22</b>	4
– Others	<b>25</b>	214
	<u><b>740</b></u>	<u>234</u>
Other (losses)/gains – net		
– Exchange differences – net	<b>(438)</b>	843
– Loss on disposal of property and equipment	<b>(218)</b>	–
– Other operating gains/(losses)	<b>16</b>	(20)
	<u><b>(640)</b></u>	<u>823</u>

*Note:*

- (a) Government grants were related to “廣州市推動高新技術企業高質量發展扶持” in respect of Smart manufacturing solution business for the year ended 31 March 2023. There are no unfulfilled conditions attached to the grants.

**7 INCOME TAX EXPENSES/(CREDIT)**

	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
Current income tax		
– PRC corporate income tax	<b>670</b>	248
Under/(over)-provision in respect of prior years		
– PRC corporate income tax	<b>42</b>	(1,646)
Deferred tax	<b>922</b>	1,288
	<u><b>1,634</b></u>	<u>(110)</u>

## 8 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2023	2022
Loss for the year attributable to the owners of the Company ( <i>HK\$'000</i> )	(28,251)	(9,245)
Weighted average number of ordinary shares in issue ( <i>number of shares</i> )	<u>422,356,164</u>	<u>400,000,000</u>
Basic loss per share ( <i>HK\$</i> )	<u><u>(0.07)</u></u>	<u><u>(0.02)</u></u>

Diluted loss per share is the same as the basic loss per share as there were no potentially dilutive ordinary shares issued during the year ended 31 March 2023 (2022: Nil).

## 9 DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 31 March 2023 (2022: Nil).

## 10 TRADE RECEIVABLES

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	14,288	16,253
Impairment loss	<u>(1,863)</u>	<u>(311)</u>
Trade receivables – net	<u><u>12,425</u></u>	<u><u>15,942</u></u>

(a) As at 31 March 2023, ageing analysis of gross trade receivables based on invoice date is as follows:

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Within 30 days	7,115	7,536
1 to 6 months	3,449	844
6 months to 1 year	2,381	1,125
Over 1 year	<u>1,343</u>	<u>6,748</u>
	<u><u>14,288</u></u>	<u><u>16,253</u></u>

## 11 TRADE PAYABLES

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	<b><u>689</u></b>	<u>1,600</u>

(a) As at 31 March 2023, ageing analysis of trade payables based on invoice date is as follows:

	<b>2023</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Within 1 year	<b>340</b>	643
Over 1 year	<b><u>349</u></b>	<u>957</u>
	<b><u>689</u></b>	<u>1,600</u>

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is a smart manufacturing solution provider focusing on precision 3D testing solutions and precision machining solutions in China. The Company provides smart manufacturing solutions to serve the needs of high-end equipment manufacturers which require a high level of precision in the manufacture of their industrial products. Its solutions comprise and integrate various equipment and services, ranging from solution concept and design, procurement of machinery, auxiliary tools and software and system installation and debugging to provision of aftersales services such as technical support and training.

For the year ended 31 March 2023, the Group continued to devote great efforts in expanding the market scopes, approaching new customers in various industries and regions, and maintaining the productive relationships with existing customers. Benefited from its sales efforts, the Group obtained a total of 10 new projects. 6 new projects together with 4 projects which were carried forward from prior years, were completed during the year. As at 31 March 2023, the Group had 4 on-going projects, which were all precision 3D scanning solutions projects.

The Group had been persisting in developing new technology, including new auxiliary tools design and relevant software applications. As of 31 March 2023, the Group has 22 registered patents, including 6 invention patents and 12 utility model patents as well, and 8 invention patents in the registration process.

## FINANCIAL REVIEW

### Revenue

For the year ended 31 March 2023, the Group recorded revenue of approximately HK\$32.0 million, representing an increase of approximately 1.5% comparing with that of approximately HK\$31.5 million for the year ended 31 March 2022. The increase in revenue was mainly due to the burial business contributed HK\$1.3 million during the year ended 31 March 2023 (2022: Nil).

### Cost of sales

Cost of sales increased by 17.5% to HK\$22.3 million for the year ended 31 March 2023 from HK\$18.9 million for the year ended 31 March 2022.

## **Gross profit and gross profit margin**

Gross profit decreased by 22.8% to HK\$9.7 million for the year ended 31 March 2023 from HK\$12.6 million for the year ended 31 March 2022. The decrease in gross profit margin mainly due to higher proportion of revenue contributed from sales of equipment which have a lower margin compare with the technical services.

Gross profit margin keeps at 30.3% for the year ended 31 March 2023 (2022: 39.9%).

## **Selling and marketing expenses**

Selling and marketing expenses decreased by 41.3% to HK\$2.6 million for the year ended 31 March 2023 from HK\$4.3 million for the year ended 31 March 2022, which was mainly due to decrease in promotion and entertainment expenses for smart manufacturing solutions business.

## **Administrative expenses**

Administrative expenses increased by 33.7% to HK\$24.5 million for the year ended 31 March 2023 from HK\$18.3 million for the year ended 31 March 2022, which was due to increase in staff cost, research and development expenses, depreciation and amortisation.

## **Income tax expense**

The Group had an income tax expense of HK\$1.6 million (2022: income tax credit HK\$0.1 million) for the year ended 31 March 2023.

## **Loss for the year**

Loss for the year increased by 207.3% to HK\$28.4 million for the year ended 31 March 2023 from HK\$9.2 million for the year ended 31 March 2022. Such increase was mainly attributable to i) decrease in gross profit; ii) increase in administrative expenses; iii) increase in provision for impairment of trade receivables; and iv) increase in provision for impairment of property and equipment, intangible assets and prepayments.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Cash position

The net cash used in operating activities was approximately HK\$9.5 million for the year ended 31 March 2023. As at 31 March 2023, the Group has current bank borrowings of HK\$5.5 million, amount due to a related party of HK\$2.5 million and amount due to a director of HK\$4.6 million to support operation.

As at 31 March 2023, the net current assets of the Group were approximately HK\$5.6 million (2022: HK\$32.5 million). The decrease was mainly attributable to increase of other payables of HK\$2.8 million, decrease of trade receivables of HK\$3.5 million and decrease of prepayments of HK\$16.6 million.

As at 31 March 2023, the cash and cash equivalents of the Group was approximately HK\$4.3 million (2022: HK\$3.7 million). The Group expected to fund the future cash flow needs through internally generated cash flows from operations, bank facilities and equity financing.

### Gearing ratio

The Group monitors capital on the basis of the net gearing ratio. Net gearing ratio represents the ratio of net debts (total borrowings, amount due to a related party and amount due to a director net of cash and cash equivalents and restricted cash) divided by total equity as at 31 March 2023 was 15% (31 March 2022: N/A).

As at 31 March 2023, the Group had a two-year credit loan of HK\$5.5 million with annual interest rate is 4.1%.

### Capital Structure

On 30 November 2022, the Company entered into a placing agreement (the “**Placing Agreement**”) with a sole placing agent, pursuant to which the Company appointed the sole placing agent as its agent to procure not less than six placees who were independent third parties to subscribe up to 80,000,000 ordinary Shares at the Placing Price of HK\$0.069 per Share, representing approximately 16.67% of the issued share capital of the Company as immediately after the completion of the Placing.

The Placing Price represents (i) a discount of approximately 8.00% to the closing price of HK\$0.075 per Share as quoted on the Stock Exchange on 30 November 2022, being the date of the Placing Agreement; and (ii) a discount of approximately 18.82% to the average closing price of approximately HK\$0.085 per Share as quoted on the Stock Exchange for the last five trading days prior to the date of the Placing Agreement.

The aggregate nominal value of the maximum number of the Placing Shares under the Placing is USD8,000. The completion of the Placing took place on 20 December 2022 in accordance with the terms and conditions of the Placing Agreement. The net proceeds from the Placing are approximately HK\$5,300,000 will be used as the general working capital of the Group.

For details of the Placing, please refer to the announcements of the Company dated 30 November 2022 and 20 December 2022.

Save as disclosed above, there was no other material change in the capital structure of the Group during the year ended 31 March 2023. As at 31 March 2023, the Company has 480,000,000 Shares in issue. Details are set out in Note 21 to the consolidated financial statements.

## USE OF NET PROCEEDS FROM THE PLACING OF NEW SHARES

On 20 December 2022, 80,000,000 placing shares (the “**Placing Shares**”), have been successfully placed to not less than six places at the placing price of HK\$0.069 (the “**Placing Price**”) per Placing Share (the “**Placing**”). The net proceeds from the Placing are approximately HK\$5,300,000 after deducting placing commissions. The Company has been applying the net proceeds according to the use of proceeds stated in the announcement of the Company dated 30 November 2022. Use of net proceeds as at 31 March 2023 are listed as follows:

	Planned use of proceeds <i>HK\$'000</i>	Percentage of net proceeds	Actual use of proceeds from 20 December 2022 to 31 March 2023 <i>HK\$'000</i>	Percentage of net proceeds	Unutilized net proceeds as at 31 March 2023 <i>HK\$'000</i>	Percentage of net proceeds
General working capital for operation	<u>5,300</u>	<u>100%</u>	<u>5,300</u>	<u>100%</u>	<u>–</u>	<u>0%</u>

## CONTINGENT LIABILITIES

As at 31 March 2023, the Group did not have any significant contingent liabilities.

## CAPITAL COMMITMENTS

As at 31 March 2023, the Group did not have any capital commitments.

## PLEDGE OF ASSETS

As at 31 March 2023, save for the restricted cash approximately of HK\$3.8 million (2022: HK\$0.5 million) and the motor vehicles under hire purchase arrangement is secured by the lessors' charge over the leased assets with net book values of approximately of HK\$4.5 million (2022: Nil), the Group did not have any pledge on its assets.

## EXCHANGE RATE RISK EXPOSURE

For the operating entities of the Company that are incorporated in Hong Kong and the British Virgin Islands, their functional currencies are United States dollars (“US\$”). As certain trade and other receivables, bank balances, lease liabilities, trade and other payables of overseas entities are denominated in Hong Kong dollars (“HK\$”) or Euro (“EUR”) or Renminbi (“RMB”), currencies other than the functional currencies of the entities may cause the foreign exchange risk. Under the Linked Exchange Rate System in Hong Kong, HK\$ is pegged to US\$, the Board considers that there is no significant foreign exchange risk with respect to HK\$. Therefore, the foreign exchange risk mainly arises from the monetary assets and liabilities denominated in EUR and RMB, which the Board considers as not significant to the Group. The Group has not entered into forward exchange contract to hedge its exposure to foreign exchange risk.

Because of the fluctuation in the exchange rate of the functional currencies of the group entities, mainly RMB and US\$, to the Group's presentation currency, HK\$, the Group recorded a loss in other comprehensive income of HK\$3.5 million for the year ended 31 March 2023.

## PROSPECTS

On 13 April 2023, the Group entered into the sales and purchase agreement (the “**Agreement**”) with the Shenzhen Wentelai Network Technology Co., Ltd. (the “**Vendor**”), pursuant to which the Group conditionally agreed to acquire and the vendor conditionally agreed to sell the sale capital, representing 20% equity interest in Huanggang Fuyuan Culture Development Co., Ltd. held by the Vendor (the “**Acquisition**”), subject to the terms and conditions of the Agreement for a consideration of approximately RMB4,195,000.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of smart manufacturing solutions including sales of equipment and provision of relevant technical service in the PRC. The Directors are of the view that the Acquisition will be a good investment opportunity for the Group to participate in the promising and growing death care service industry in the PRC. Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms and are fair and reasonable and that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

## **SIGNIFICANT INVESTMENTS HELD**

As at 31 March 2023, the Group did not hold any significant investments.

## **OTHER FINANCIAL ASSETS**

As at 31 March 2023, other financial assets held by the Group comprise:

- Trade receivables of HK\$12.4 million;
- Cash and bank deposits of HK\$4.3 million; and
- Other receivables of HK\$1.5 million.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

Save as disclosed in the paragraphs headed “Prospects” in this results announcement, the Group did not have any plans for material investments.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

During the year ended 31 March 2023, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

## **EMPLOYEES AND EMOLUMENT POLICIES**

The Group had 27 employees (including executive Directors) as at 31 March 2023 (2022: 25 employees). The Company relies on its employees to provide smart manufacturing solutions to its customers. In order to recruit, develop and retain talented employees, the Group offers competitive remuneration packages to its staff, including internal promotion opportunities and performance-based bonus. The Company generally has a fixed term employment contract with its employees such as administrative and finance staff and the Company generally renews the employment contract with such employees on a yearly basis.

The Group also reviews the performance of the Group’s staff periodically and consider the result of such review for staff’s annual bonus, salary review and promotion appraisal.

The Remuneration Committee shall make recommendation to the Board on the overall remuneration policy and structure relating to all Directors and senior management; review remuneration proposals of the management with reference to the Board's corporate goals and objectives; and ensure none of the Directors or any of their associates determine their own remuneration.

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

None of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2023.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to promoting high standards of corporate governance through its continuous effort in improving its corporate governance practices and process. The Board believes that sound and reasonable corporate governance practices are essential for sustainable growth of the Group and for safeguarding the interests and the Group's assets.

The corporate governance practices of the Group are based on the principles and the code provisions in the Corporate Governance Code (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules.

There was a deviation from code provision A.2.1 of the Code which stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company considers that having Mr. Zeng Weijin ("**Mr. Zeng**") acting as both its chairman of the Board and its chief executive officer will provide a strong and consistent leadership to the Group and allow for more effective planning and management for the Group. In view of Mr. Zeng's extensive experience in the industry, personal profile and critical role in the Group and its historical development, the Company considers that it is beneficial to the business prospects of the Group that Mr. Zeng continues to act as both its chairman and its chief executive officer.

Save as disclosed above, the Company has complied with the applicable code provisions of the Code as set out in Appendix 15 to the GEM Listing Rules for the year ended 31 March 2023.

## **NON-COMPLIANCE WITH THE GEM LISTING RULES**

Following the resignation of Mr. Leung Gavin L. on 24 April 2023, the Company has two independent non-executive Directors only. The number and composition of independent non-executive directors fail to meet the requirements under (i) Rule 5.05(1) of the GEM Listing Rules which requires the Board to include at least three independent non-executive directors; (ii) Rule 5.05(2) of the GEM Listing Rules which requires the Board to include at least one of the independent non-executive directors with appropriate professional qualifications or accounting or related financial management expertise; (iii) Rule 5.05A of the GEM Listing Rules which requires that the Company must appoint independent non-executive directors representing at least one-third of the board; and (iv) Rule 5.28 of the GEM Listing Rules which requires the audit committee to comprise a minimum of three members and at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required in Rule 5.05(2).

## **COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS**

The Group has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Standard of Dealings**”), as its own code of conduct regarding Directors’ securities transactions.

Having made specific enquiries of all the Directors, each of the Directors has confirmed that he or she has complied with the required Standard of Dealings for the year ended 31 March 2023.

## **DIVIDENDS**

The Board did not recommend the payment of any dividend for the year ended 31 March 2023 (2022: nil).

## **EVENTS AFTER THE REPORTING PERIOD**

### **1. Proposed rights Issue**

On 30 May 2023, the Board proposes to conduct the rights issue (the “**Rights Issue**”) on the basis of one rights share (the “**Rights Share**”) for every two issued shares at the subscription price of HK\$0.1 per Rights Share, to raise up to HK\$24,000,000 before expenses by way of issuing up to 240,000,000 Rights Shares. The Rights Issue was not yet completed as at the date of this results announcement.

Details of the Rights Issue are set out on the Company’s announcement dated 30 May 2023 and prospectus dated 16 June 2023.

## **2. Agreement to acquire 20% equity interest in Huanggang Fuyuan Culture Development Co., Ltd. (the “Target Company”)**

As disclosed in the Company’s announcement dated 13 April 2023, the Company entered into the agreement with an independent third party of the Company (the “**Vendor**”) pursuant to which the Company has conditionally agreed to acquire and the Vendor has conditionally agreed to sell 20% equity interest in the Target Company, subject to the terms and conditions of the agreement for a consideration of RMB4,195,000 (equivalent to approximately HK\$4,795,000).

As at the date of this results announcement, the possible acquisition had not been completed. Details of the possible acquisition are set out in the Company’s announcement dated 13 April 2023.

Save as disclosed above, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 March 2023 and up to the date of this results announcement.

## **AUDIT COMMITTEE**

The annual results of the Group for the year ended 31 March 2023 have been reviewed by the Audit Committee in a meeting held on 27 June 2023.

## **SCOPE OF WORK OF AUDITOR**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in the preliminary announcement have been agreed by the Group’s auditor, McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”), to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by McMillan Woods 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 Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This results announcement is published on the Company’s website at [www.minfuintl.com](http://www.minfuintl.com) and the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk). The 2023 annual report will be despatched to shareholders and will also be published on the websites of both the Stock Exchange and the Company in due course.

## **APPRECIATION**

The Board would like to express its sincere gratitude to the management of the Group and all the staff for their hard work and dedication, as well as its shareholders, business associates and other professional parties for their support throughout the year.

By order of the Board  
**Min Fu International Holding Limited**  
**Zeng Weijin**  
*Chairman*

Hong Kong, 27 June 2023

*As at the date of this announcement, the executive Directors are Mr. Zeng Weijin, Ms. Ye Jialing and Mr. Huang Minzhi; the non-executive Directors are Mr. Zhou Ruizhao, Ms. Zhang Xiaoling and Ms. Li Xiaoxuan; and the independent non-executive Directors are Mr. Ning Jie and Dr. Zhou Wenming.*