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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)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 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 director (collectively the “**Directors**” and individually a “**Director**”) 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.*

HIGHLIGHTS

The Company recorded an unaudited revenue of approximately HK\$0.7 million for the three months ended 30 June 2023, representing an decrease of approximately 90.7% as compared to the corresponding period of the previous year.

The Company recorded an unaudited loss attributable to the owners of the Company of HK\$6.4 million for the three months ended 30 June 2023, compared to the loss of HK\$4.9 million in the corresponding period of the previous year.

Basic and diluted losses per share for the three months ended 30 June 2023 were approximately HK1.34 cents (2022: basic and diluted losses per share approximately HK1.24 cents).

The board of Directors (the “**Board**”) of the Company presents the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2023 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period of 2022 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the three months ended 30 June	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	651	7,009
Cost of sales		(84)	(4,064)
Gross profit		567	2,945
Selling and marketing expenses		(542)	(1,212)
Administrative expenses		(6,018)	(6,029)
Other income		5	11
Other (losses)/gains – net		(575)	(185)
Operating loss		(6,563)	(4,470)
Finance income		18	3
Finance cost		(176)	(264)
Finance (cost)/income – net		(158)	(261)
Loss before income tax		(6,721)	(4,731)
Income tax expense	4	–	(212)
Loss for the period		<u>(6,721)</u>	<u>(4,943)</u>
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operation		2,907	(1,255)
Total comprehensive loss for the period		<u>(3,814)</u>	<u>(6,198)</u>
Loss for the period attributable to:			
The owners of the Company		(6,438)	(4,943)
Non-controlling interest		(283)	–
Total comprehensive loss for the period		<u>(6,721)</u>	<u>(4,943)</u>
Total comprehensive loss for the period attributable to:			
The owners of the Company		(3,531)	(6,198)
Non-controlling interest		(283)	–
Total comprehensive loss for the period		<u>(3,814)</u>	<u>(6,198)</u>
Losses per share			
– Basic and diluted (<i>HK cents</i>)	6	<u>(1.34)</u>	<u>(1.24)</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Capital reserve	Exchange reserves	Statutory reserves	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interest	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 April 2022 (Audited)	312	51,640	163	3,157	3,067	(1,946)	56,393	-	56,393
Comprehensive income									
- Loss for the period	-	-	-	-	-	(4,929)	(4,929)	-	(4,929)
- other comprehensive income	-	-	-	(1,255)	-	-	(1,255)	-	(1,255)
Total comprehensive income	-	-	-	(1,255)	-	(4,929)	(6,184)	-	(6,184)
Balance at 30 June 2022 (Unaudited)	312	51,640	163	1,902	3,067	(6,875)	50,209	-	50,209
Balance at 1 April 2023 (Audited)	375	56,877	163	(348)	3,067	(30,197)	29,937	(39)	29,898
Comprehensive income									
- Loss for the period	-	-	-	-	-	(6,438)	(6,438)	(283)	(6,721)
- other comprehensive income	-	-	-	2,907	-	-	2,907	-	2,907
Total comprehensive income	-	-	-	2,907	-	(6,438)	(3,531)	(283)	(3,814)
Capital contribution from non-controlling interest of a subsidiary	-	-	-	-	-	-	-	48	48
Balance at 30 June 2023 (Unaudited)	375	56,877	163	2,559	3,067	(36,635)	26,406	(274)	26,132

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in i) smart manufacturing solutions business and ii) agency services for burial business in the People’s Republic of China (the “**PRC**”).

The condensed consolidated quarterly financial statements have not been audited.

2 BASIS OF PRESENTATION

The Group’s unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinances. The unaudited condensed consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 April 2023. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements for the three months ended 30 June 2023 comprises the Company and its subsidiaries.

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “**functional currency**”). The unaudited condensed consolidated financial statements is presented in Hong Kong dollars (“**HK\$**”), rounded to the nearest thousand except for otherwise indicated. The Company’s functional and the Group’s presentation currency are both HK\$.

The measurement basis used in the preparation of the unaudited condensed consolidated financial statements is the historical cost basis.

The preparation of unaudited condensed consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

3 REVENUE AND SEGMENT INFORMATION

The Chief Operating Decision-Maker (“CODM”) has been identified as the executive directors who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The CODM assesses the performance based on a measure of profit after income tax and considers all businesses to be included in two operating segments.

The principal activities of the Group consist of i) smart manufacturing solutions business; and ii) burial business in the PRC.

a) Revenue

Revenue represents revenue from i) smart manufacturing solutions business; and ii) burial business.

	For the three months ended 30 June	
	2023	2022
	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)
Smart Manufacturing Solutions Business		
– Sales of equipment	–	5,646
– Technical services	–	711
	<u>–</u>	<u>6,357</u>
Burial Business		
– Agency services for sale of burial plots and columbarium units	651	652
	<u>651</u>	<u>652</u>
Total	651	7,009
	<u>651</u>	<u>7,009</u>

b) Segment Information

The Group manages its businesses by business lines in a manner consistent with the way in which information is reported internally to the Group's 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
- burial business: provision of agency services for sale of burial plots and columbarium units and provision of other burial-related services in the PRC

Segment results

Segment results represent the profit before tax from each segment except for the unallocated corporate expenses, being central administrative costs.

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 period is set out below:

	For the three months ended 30 June 2023 (Unaudited)			
	Smart Manufacturing Solution Business HK\$'000	Burial Business HK\$'000	Unallocated HK\$'000	Total HK\$'000
Reportable segment revenue	–	651	–	651
Reportable segment loss before tax	(3,705)	(1,733)	(1,283)	(6,721)
Amounts included in the measure of segment profit or loss:				
Interest expenses	(46)	(130)	–	(176)
Depreciation	(248)	(499)	–	(747)
Amoritisation	(851)	–	–	(851)
Interest income	18	–	–	18

For the three months ended 30 June 2022 (Unaudited)				
	Smart Manufacturing Solution Business <i>HK\$'000</i>	Burial Business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Reportable segment revenue	6,357	652	–	7,009
Reportable segment profit/(loss) before tax	(2,069)	(1,337)	(1,325)	(4,731)
Amounts included in the measure of segment profit or loss:				
Interest expenses	(157)	(92)	(15)	(264)
Depreciation	(315)	(584)	–	(899)
Amortisation	(355)	–	–	(555)
Interest income	<u>3</u>	<u>–</u>	<u>–</u>	<u>3</u>

All of the Group's revenue was derived in the PRC during the three months ended 30 June 2023 (2022: same).

All of the Group's non-current assets were located in the PRC as at 30 June 2023 and 2022.

4 INCOME TAX EXPENSE

	For the three months ended 30 June	
	2023 <i>HK\$'000</i> (Unaudited)	2022 <i>HK\$'000</i> (Unaudited)
Current income tax		
– PRC corporate income tax	–	212
– Others	–	–
Deferred income tax	–	–
	<u>–</u>	<u>212</u>

- (a) Pursuant to the Corporate Income Tax Law of the People's Republic of China (the "CIT Law") and the Implementation Rules of the CIT Law in the PRC, the standard tax rate is 25% for the Group's subsidiaries and operations in the PRC.

On 11 December 2017, Quick Tech Corporation Ltd. ("Quick Tech"), the Group's subsidiary incorporated in the PRC, was awarded the High and New Technology Enterprise which effective for three years commencing on 1 January 2017 and is entitled to preferential income tax rate of 15% for these three years. In 2020, Quick Tech had successfully renewed and granted this preferential tax treatment of 15% for three years. Accordingly, tax rate of 15% (2022:15%) has been applied for the current income tax and deferred income tax for the three months ended 30 June 2023.

- (b) Hong Kong Cheng Phong Technology Limited (“**Hong Kong Cheng Phong**”), Bow Chak Industry (HK) Limited (“**Bow Chak**”) and MGW Swans Ltd. (“**MGW Swans**”) are the Group’s subsidiaries incorporated in Hong Kong and the BVI. However, their principal businesses for the three months ended 30 June 2023 and 2022 were carried out in the PRC and the related income was subject to PRC corporate income tax. Hong Kong Cheng Phong, Bow Chak and MGW Swans were approved by the PRC in-charge tax bureau to pay PRC income tax on a “deemed profit basis”, according to which their taxable income was calculated at 15% (2022:15%) of revenue for the three months ended 30 June 2023.
- (c) The statutory Hong Kong Profits Tax rate is 16.5% (2022:16.5%). No provision for Hong Kong Profits Tax has been made as the income of the companies comprising the Group neither arises in, nor is derived from Hong Kong for three months ended 30 June 2023 and 2022.
- (d) The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.
- (e) The Company’s subsidiaries in the BVI were incorporated under the International Business Companies Act of the BVI and are exempted from the BVI income tax.

5 DIVIDENDS

The Directors did not recommend the payment of any interim dividend for the three months ended 30 June 2023 (2022: nil).

6 LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss for the period by the weighted average number of ordinary shares in issue during the three months ended 30 June 2023 and 2022.

	For the three months ended 30 June	
	2023 (Unaudited)	2022 (Unaudited)
Loss for the period attributable to owners of the Company (<i>HK\$'000</i>)	(6,438)	(4,943)
Weighted average number of ordinary shares in issue (<i>thousands of shares</i>)	<u>480,000</u>	<u>400,000</u>
Basic losses per share (<i>HK cents</i>)	<u>(1.34)</u>	<u>(1.24)</u>

Diluted losses per share presented is the same as the basic losses per share as there were no potentially dilutive ordinary shares issued during the three months ended 30 June 2023 (2022: same).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of i) smart manufacturing solutions including sales of equipment and provision of relevant technical service; and ii) agency services for sale of burial plots and columbarium units and provision of other burial-related services, in the PRC.

Smart Manufacturing Solution Business

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 three months ended 30 June 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 1 new project. As at 30 June 2023, the Group had 5 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 30 June 2023, the Group has 30 registered patents, including 6 invention patents and 24 utility model patents as well, and 22 invention patents and 2 utility model patents in the registration process.

Burial Business

The Group's burial business consists of agency services for sale of burial plots and columbarium units, which includes the right to use the burial plots and headstones and other ancillary products to be used on the burial plots, and the right to use the columbarium units. During the three months ended 30 June 2023, all the revenue were contributed from burial business. The Group's revenue from burial business, in particular, the agency services for sale of burial plots, for a given period is dependent upon the number and the average selling price of burial plots sold and recognized as revenue during the financial period.

FINANCIAL REVIEW

Revenue

For the three months ended 30 June 2023, the Group recorded revenue of approximately HK\$0.7 million, representing a decrease of approximately 90.7% comparing with that of approximately HK\$7.0 million for the three months ended 30 June 2022. The decrease in revenue was mainly due to the delay in delivery of equipment, and the revenue from sales of equipment to be recognised at a point in time, it caused no revenue has been recognised for smart manufacturing solutions business during the three months ended 30 June 2023.

Gross profit

Gross profit decreased by 80.7% to HK\$0.6 million for the three months ended 30 June 2023 from HK\$2.9 million for the three months ended 30 June 2022, which was decrease in line with revenue.

Selling and marketing expenses

Selling and marketing expenses decreased by HK\$0.7 million to HK\$0.5 million for the three months ended 30 June 2023 (corresponding period in 2022: HK\$1.2 million), which was mainly due decrease in staff cost, entertainment, and travelling expenses.

Administrative expenses

Administrative expenses slightly decreased by 0.2% to HK\$6.02 million for the three months ended 30 June 2023 from HK\$6.03 million for the three months ended 30 June 2022.

Loss for the period

Loss for the period increased by 36.0% to HK\$6.7 million for the three months ended 30 June 2023 from HK\$4.9 million for the three months ended 30 June 2022. Such increase was mainly due to the decrease in gross profit.

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 30 June 2023 was 35% (31 March 2023: 15%).

As at 30 June 2023, the Group had a two year credit loan of HK\$5.1 million with annual interest rate at 4.1%, which to be repaid within 1 year.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2023, the cash and cash equivalents of the Group was approximately HK\$5.7 million (31 March 2023: HK\$4.3 million). The Group expected to fund the future cash flow needs through internally generated cash flows from operations, bank facilities and equity financing.

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\$2.9 million for the three months ended 30 June 2023.

CAPITAL COMMITMENTS

As at 30 June 2023, the Group did not have any capital commitments.

CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any significant contingent liabilities.

PLEDGE OF ASSETS

As at 30 June 2023, save for the restricted cash approximately of HK\$0.5 million (31 March 2023: HK\$3.8 million) and the motor vehicle under hire purchase arrangement is secured by the lessors' charge over the leased assets with net book values of approximately of HK\$1.1 million (31 March 2023: HK\$4.5 million), the Group did not have any pledge on its assets.

SIGNIFICANT INVESTMENTS

As at 30 June 2023, the Group did not hold any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2023, the Group did not have any plans for material investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

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). The acquisition had been completed on 31 July 2023. Details of the acquisition are set out in the Company's announcement dated 13 April 2023.

Save as the disclose in above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies during the three months ended 30 June 2023.

EMPLOYEES AND EMOLUMENT POLICIES

The Group had 33 employees (including executive Directors) as at 30 June 2023 (31 March 2023: 27 employees). The Group values employees because they are pivotal to our success. To recruit, develop and retain talented employees, the Group has provided its employees competitive remuneration packages, including internal promotion opportunities and performance-based bonus. The remuneration committee of the Company shall make recommendation to its Board on the overall remuneration policy and structure relating to all Directors and senior management; review remuneration proposals of the management with reference to its Board's corporate goals and objectives; and ensure none of its Directors or any of their associates determine their own remuneration.

PRINCIPAL RISKS AND UNCERTAINTIES

Business risk

The principal business of the Group is to provide smart manufacturing solutions to its customers on a project basis. As there are not any long-term contractual arrangements with its customers, no assurance is given that the Group will continue to secure new contracts or maintain or increase its current level of business activities with existing or future customers in the future. Therefore, the Group is increasing its sales and marketing efforts, expanding its sales teams and administrative teams, sales points and sales coverage, aiming to continuously get new tenders, secure contracts from more customers and increase market share.

The Group's major customers are high-end equipment manufacturers in the aviation, aerospace, shipbuilding, ground transportation vehicles and electronics industries. The market for smart manufacturing solutions is characterised by rapidly changing technologies and evolving developments. The success of its business is dependent upon its ability to continuously develop, in a timely manner, new technological applications through R&D and introduce new solution designs to cater its customers' requirements. Therefore, the Group intends to increase its R&D efforts, establish its own R&D centers, recruit more technical staff, so as to hold its edges and competitiveness in terms of technology.

Credit risk

Credit risk mainly arises from cash and cash equivalents, restricted cash, trade receivables and other receivables. The carrying amount of these balances in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to its financial assets. The Group has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis.

Liquidity risk

To manage the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations and mitigate the effects of fluctuations in cash flows. The Group expects to fund its future cash flow needs through internally generated cash flows from operation and borrowings from financial institutions.

CORPORATE GOVERNANCE AND OTHER INFORMATION

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the three months ended 30 June 2023 (2022: nil).

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

For the three months ended 30 June 2023, none of the Company or any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2023, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

(I) Long position in shares or underlying shares of the Company

Name of Director	Nature of interest	Ordinary shares held	No. of underlying shares held	Percentage of interest
Mr. Huang Minzhi ("Mr. Huang")	Beneficial owner	122,461,800	–	25.51%

Save as disclosed above and so far the Directors, As at 30 June 2023, none of the Directors and chief executive of the Company had any interests or short positions in the share, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as was known to the Directors, as at the date of this announcement, the following persons had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name of Substantial Shareholder	Long/short position	Capacity	Number of shares	Percentage of interest
Mr. Huang	Long position	Beneficial owner	122,461,800	25.51%

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other persons/entities (other than the Directors and chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Share Option Scheme**”) on 26 March 2018 which took effect on 20 April 2018, being the date of listing of the shares of the Company on GEM of the Stock Exchange.

No share options have been granted, exercised or cancelled under the Share Option Scheme since its adoption date and up to the date of this announcement. The Scheme will remain in force for a period of 10 years after the date of adoption.

INTERESTS IN COMPETING BUSINESS

For the three months ended 30 June 2023, none of the Directors or any of their respective close associates (as defined under the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which they have or may have with the Group.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Company had not entered into any connected transaction or continuing connected transactions which are subject to the disclosure requirements under the GEM Listing Rules.

EVENT AFTER THE REPORTING PERIOD

Rights Issue

On 30 May 2023, the Company 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. On 2 August 2023, 239,893,183 Rights Shares have been issued. After deducting relevant expenses, the net proceeds from the Rights Issue are approximately HK\$22.33 million. The use of net proceeds has been stated in the announcement of the Company dated 30 May 2023.

Details of the Rights Issue are set out on the Company’s announcement dated 30 May 2023, 10 July 2023, 1 August 2023 and prospectus dated 16 June 2023.

Save as disclosed above, the Directors are not aware of any significant events requiring disclosure that has taken place subsequent to 30 June 2023 and up to the date of this announcement.

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 three months ended 30 June 2023.

CHANGE OF THE DIRECTORS' INFORMATION

With effect from 24 April 2023, Mr. Leung Gavin L. has resigned as (i) an independent non-executive Director, and (ii) the chairman of the audit committee, in order to devote more time to his personal business developments.

With effect from 20 July 2023, Mr. Lu Shengwei has been appointed as (i) an independent non-executive Director, and (ii) the chairman of the audit committee.

With effect from 1 August 2023, Mr. Ning Jie has been resigned as (i) an independent non-executive Director; (ii) the member of the audit committee; (ii) the member of the remuneration committee; and (iv) the member of the nomination committee.

With effect from 1 August 2023, Ms. Du Li has been appointed as (i) an independent non-executive Director; (ii) the member of the audit committee; (ii) the member of the remuneration committee; and (iv) the member of the nomination committee.

Save as disclosed above, there are no other changes of the Directors' information to be disclosed pursuant to Rule 17.50A of the GEM Listing Rules since the date of the 2023 annual report of the Company.

CORPORATE GOVERNANCE PRACTICES

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.

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 three months ended 30 June 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).

Following the appointment of Mr. Lu Shengwei on 20 July 2023, the Company re-complied with Rules 5.05(1), 5.05(2), 5.05A and 5.28.

AUDIT COMMITTEE

The Audit Committee has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Lu Shengwei. The other members are Ms. Du Li and Mr. Zhou Wenming. All members of the Audit Committee are appointed by the Board.

The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment, re-appointment and removal of external auditor, review the financial statements and material advice in respect of financial reporting, to oversee financial reporting system, the internal control and risk management systems of the Group and to monitor continuing connected transactions (if any).

The audit committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing and financial reporting matters. The audit committee has discussed and reviewed the unaudited financial information and the first quarterly report for the three months ended 30 June 2023.

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 Reporting Period.

By order of the Board
MIN FU INTERNATIONAL HOLDING LIMITED.
Zeng Weijin
Chairman and Chief Executive Officer

Hong Kong, 11 August 2023

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

This announcement will be available on the Company's website www.minfuintl.com and will remain on the "Latest Listed Company Information" page on the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the date of its posting.