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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)

INTERIM RESULTS ANNOUNCEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

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\$12.0 million for the six months ended 30 September 2022, representing an increase of approximately 9.7% 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\$10.8 million for the six months ended 30 September 2022, compared to the loss of HK\$4.1 million in the corresponding period of the previous year, which was mainly attributed to the increase in administrative expenses.

Basic and diluted losses per share for the six months ended 30 September 2022 were approximately HK2.70 cents (2021: basic and diluted losses per share approximately HK1.03 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 six months ended 30 September 2022 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period of 2021 as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the three months ended 30 September		For the six months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	5,036	4,383	12,045	10,979
Cost of sales	4	(4,042)	(2,822)	(8,106)	(7,269)
Gross profit		994	1,561	3,939	3,710
Selling and marketing expenses	4	(595)	(1,273)	(1,807)	(2,351)
Administrative expenses	4	(5,307)	(2,416)	(11,336)	(5,090)
Other income		220	–	231	–
Other (losses)/gains – net		(787)	(309)	(972)	(198)
Operating loss		(5,475)	(2,437)	(9,945)	(3,929)
Finance (cost)/income – net	4	(287)	–	(548)	1
Loss before income tax		(5,762)	(2,437)	(10,493)	(3,928)
Income tax expense	5	(87)	384	(299)	(220)
Loss attributable to:					
Owners of the Company		(5,849)	(2,053)	(10,792)	(4,148)
Other comprehensive income					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translation of foreign operation		(1,495)	–	(2,750)	–
Other comprehensive income for the period, net of income tax		(1,495)	–	(2,750)	–
Total comprehensive income attributable to:					
Owners of the Company		(7,344)	(2,053)	(13,542)	(4,148)
Losses per share					
– Basic and diluted (<i>HK cents</i>)	7	(1.46)	(0.51)	(2.70)	(1.03)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 September 2022	31 March 2022
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
ASSETS			
Non-current assets			
Property and equipment	8	13,043	10,137
Right-of-use assets		1,481	41
Intangible assets		9,407	6,748
Prepayments		8,698	7,340
		<u>32,629</u>	<u>24,266</u>
Current assets			
Trade receivables	9	9,166	15,942
Other receivables	10	4,931	1,431
Prepayments		20,562	25,880
Restricted cash		3,823	506
Cash at bank and on hand		3,149	3,738
		<u>41,631</u>	<u>47,497</u>
Total assets		<u>74,260</u>	<u>71,763</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	14	312	312
Other reserves		55,277	58,027
Accumulated losses		(12,738)	(1,946)
		<u>42,851</u>	<u>56,393</u>

		30 September	31 March
		2022	2022
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Audited)
LIABILITIES			
Non-current liabilities			
Borrowings		5,534	–
Lease liabilities	13	4,063	–
Deferred tax liabilities		336	368
		<u>9,933</u>	<u>368</u>
Current liabilities			
Trade payables	11	942	1,600
Other payables	12	13,023	10,452
Contract liabilities		5,524	423
Borrowings		–	2,467
Current income tax liabilities		491	41
Lease liabilities	13	1,496	19
		<u>21,476</u>	<u>15,002</u>
Total Liabilities		<u>31,409</u>	<u>15,370</u>
Total equity and liabilities		<u>74,260</u>	<u>71,763</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange reserves <i>HK\$'000</i>	Statutory reserves <i>HK\$'000</i>	Retained earnings/ (accumulated losses) <i>HK\$'000</i>	Total <i>HK\$'000</i>
Balance at 1 April 2021 (Audited)	312	51,640	163	774	2,461	7,905	63,255
Comprehensive income							
– Loss for the period	–	–	–	–	–	(4,148)	(4,148)
Total comprehensive income	–	–	–	–	–	(4,148)	(4,148)
Balance at 30 September 2021 (Unaudited)	312	51,640	163	774	2,461	3,757	59,107
Balance at 1 April 2022 (Audited)	312	51,640	163	3,157	3,067	(1,946)	56,393
Comprehensive income							
– Loss for the period	–	–	–	–	–	(10,792)	(10,792)
– Other comprehensive income	–	–	–	(2,750)	–	–	(2,750)
Total comprehensive income	–	–	–	(2,750)	–	(10,792)	(13,542)
Balance at 30 September 2022 (Unaudited)	312	51,640	163	407	3,067	(12,738)	42,851

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	For the six months ended	
	30 September 2022 <i>HK\$'000</i> (Unaudited)	30 September 2021 <i>HK\$'000</i> (Unaudited)
Cas flow from operating activities		
Cash generated from operations	3,028	115
Income tax paid	—	(440)
Net cash generated from/(used in) operating activities	<u>3,028</u>	<u>(325)</u>
Cash flows from investing activities		
Bank interest income received	9	—
Purchase of equipment	(664)	—
Purchase of intangible assets	(4,371)	—
Net cash used in investing activities	<u>(5,026)</u>	<u>—</u>
Cash flows from financing activities		
Proceeds from borrowings	5,534	—
Repayment of borrowings	(2,467)	—
Interest on borrowings	(210)	—
Principal element of lease rental paid	(1,101)	—
Interest element of lease rental paid	(347)	—
Net cash generated from financing activities	<u>1,409</u>	<u>—</u>
Net decrease in cash and cash equivalents	(589)	(325)
Cash and cash equivalents at beginning of the period	3,738	2,660
Exchange gains on cash and cash equivalents	—	—
Cash and cash equivalents at end of the period	<u>3,149</u>	<u>2,335</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Min Fu International Holding Limited was incorporated in the Cayman Islands on 23 June 2017 as an exempted company with limited liability. The address of its registered office is the 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 the principal activities of its subsidiaries consist of i) smart manufacturing solutions business; and ii) burial business, in the People's Republic of China (the "PRC").

These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollar ("HK\$") and all values are rounded to the nearest thousands (HK\$'000).

The condensed consolidated interim 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 2022 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 2022. 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 six months ended 30 September 2022 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 unaudited condensed consolidated financial statements are presented in 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		For the six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Smart Manufacturing Solutions Business				
– Sales of equipment	3,935	2,888	9,581	7,738
– Technical services	652	1,495	1,363	3,241
	<u>4,587</u>	<u>4,383</u>	<u>10,944</u>	<u>10,979</u>
Burial Business				
– Agency services for sale of burial plots and columbarium units	449	–	1,101	–
	<u>449</u>	<u>–</u>	<u>1,101</u>	<u>–</u>
Total	<u><u>5,036</u></u>	<u><u>4,383</u></u>	<u><u>12,045</u></u>	<u><u>10,979</u></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: 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.

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 six months ended 30 September 2022 (Unaudited)			
	Smart Manufacturing Solution Business HK\$'000	Burial Business HK\$'000	Un-allocated HK\$'000	Total HK\$'000
Reportable segment revenue	10,944	1,101	–	12,045
Reportable segment loss before income tax	(4,263)	(2,892)	(3,338)	(10,493)
Amounts included in the measure of segment loss:				
Interest expenses	(305)	(230)	(22)	(557)
Depreciation				
– Property and equipment	(524)	(278)	–	(802)
– Right-of-use assets	(19)	(925)	–	(944)
Amortisation	(1,348)	–	–	(1,348)
Interest income	9	–	–	9

For the six months ended 30 September 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.

All of the Group's revenue was derived in the PRC during the six months ended 30 September 2022 (2021: same).

All of the Group's non-current assets were located in the PRC as at 30 September 2022 and 2021.

4 EXPENSES BY NATURE

	For the three months ended		For the six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cost of goods sold	4,042	2,797	8,106	7,169
Professional fees	561	206	1,055	407
Travelling expenses	65	180	277	436
Staff costs	2,568	930	4,648	1,872
Entertainment expenses	239	792	402	1,432
Lease payments	217	157	376	314
Outsourced research and development expenses	551	819	3,146	1,526
Advertising and promotion fees	10	–	12	–
Office utilities	35	93	42	187
Depreciation and amortisation	1,640	269	3,094	519
Auditors' remuneration	–	1	–	22
Other expenses	16	267	91	826
Total cost of sales, selling and marketing expenses and administrative expenses	9,944	6,511	21,249	14,710
Interest income from bank deposit	(6)	–	(9)	(1)
Finance income	(6)	–	(9)	(1)
Interest in bank loan and other charges	79	–	210	–
Interest on lease liabilities	214	–	347	–
Finance costs	293	–	557	–
Finance costs/(income) – net	287	–	548	(1)

5 INCOME TAX EXPENSE

	For the three months ended		For the six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax				
– PRC corporate income tax	87	(384)	299	206
– Others	–	–	–	14
Deferred income tax	–	–	–	–
	<u>87</u>	<u>(384)</u>	<u>299</u>	<u>220</u>

No income tax relating to components of other comprehensive income was charged for the six months ended 30 September 2022 (2021: same).

- (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% (2021:15%) has been applied for the current income tax and deferred income tax for the six months ended 30 September 2022.

- (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 six months ended 30 September 2022 and 2021 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% (2021:15%) of revenue for the six months ended 30 September 2022.
- (c) The statutory Hong Kong Profits Tax rate is 16.5% (2021:16.5%). 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 six months ended 30 September 2022 and 2021.
- (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.

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.

6 DIVIDENDS

The Directors did not recommend the payment of any interim dividend for the six months ended 30 September 2022 (2021: nil).

7 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 six months ended 30 September 2022 and 2021.

	For the three months ended		For the six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss for the period attributable to owners of the Company (<i>HK\$'000</i>)	(5,849)	(2,053)	(10,792)	(4,148)
Weighted average number of ordinary shares in issue (<i>thousands of shares</i>)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Basic losses per share (<i>HK cents</i>)	<u>(1.46)</u>	<u>(0.51)</u>	<u>(2.70)</u>	<u>(1.04)</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 six months ended 30 September 2022 (2021: same).

8 EQUIPMENT

During the six months ended 30 September 2022, the Group have purchased property and equipment of approximately HK\$4.9 million (corresponding period in 2021: Nil). In addition, the Group disposed approximately HK\$0.2 million property and equipment during the six months ended 30 September 2022 (2021: Nil).

Motor vehicles with net book value of approximately HK\$4.6 million (31 March 2022: Nil) at 30 September 2022 were held under finance leases.

9 TRADE RECEIVABLES

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Trade receivables	9,477	16,253
Less: provision for credit losses	<u>(311)</u>	<u>(311)</u>
	<u>9,166</u>	<u>15,942</u>

(a) As at 30 September 2022, aging analysis of trade receivables based on invoice date is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Within 30 days	33	7,536
1 to 6 months	6,418	844
6 months to 1 year	409	1,125
1 to 2 years	1,830	6,748
2 to 3 years	<u>787</u>	<u>–</u>
	<u>9,477</u>	<u>16,253</u>

(b) As at 30 September 2022, trade receivables of HK\$1,912,000 (31 March 2022: HK\$3,482,000) were overdue. These related to a number of independent customers for whom there were no recent history of default. Based on management's assessment, the overdue amounts could be recovered. As at 30 September 2022, ageing analysis of trade receivables based on due date, net of provision for credit losses, is as follows:

	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Current	7,254	12,460
Past due:		
Within 30 days	738	–
1 to 6 months	776	599
6 months to 1 year	398	2,865
1 to 2 years	<u>–</u>	<u>18</u>
	<u>9,166</u>	<u>15,942</u>

10 OTHER RECEIVABLES

	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Advance to employees	3,123	1,106
Tendering deposits	460	18
Others	1,348	58
Amount due from a related party	—	249
	<u>4,931</u>	<u>1,431</u>

11 TRADE PAYABLES

	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Trade payables	<u>942</u>	<u>1,600</u>

(a) As at 30 September 2022, ageing analysis of trade payables based on invoice date is as follows:

	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Within 1 year	854	643
Over 1 year	<u>88</u>	<u>957</u>
	<u>942</u>	<u>1,600</u>

12 OTHER PAYABLES

	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Accrued expenses	5,861	2,709
Other tax liabilities	192	318
Amounts due to a related parties	6,970	7,425
	<hr/>	<hr/>
	13,023	10,452
	<hr/> <hr/>	<hr/> <hr/>

13 LEASE LIABILITIES

	30 September	31 March
	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Current	1,496	19
Non-current	4,063	–
	<hr/>	<hr/>
	5,559	19
	<hr/> <hr/>	<hr/> <hr/>

The Group leases various properties for the use of office and motor vehicles. The Group has the option to purchase the motor vehicles under hire purchase arrangement. These lease liabilities were measured at net present value of the lease payments during the lease terms that are not yet paid.

14 SHARE CAPITAL

	Number of ordinary shares	Share capital US\$	Share capital HK\$
Authorised:			
At 1 April 2021, 30 September 2021, 1 April 2022 and 30 September 2022	<u>5,000,000,000</u>	<u>500,000</u>	<u>3,905,000</u>
Issued and fully paid:			
At 1 April 2021, 30 September 2021, 1 April 2022 and 30 September 2022	<u>400,000,000</u>	<u>40,000</u>	<u>312,400</u>

15 RELATED PARTY TRANSACTIONS

(a) Name and relationship with a related party

Name	Relationship
Mr. Wu Di (“ Mr. Wu ”)	Shareholder of IFG Swans
Tecway Technology Limited (“ Tecway Technology ”)	Shareholder of the Company
IFG Swans Holding Ltd. (“ IFG Swans ”)	Shareholder of the Company
Mr. Huang Minzhi (“ Mr. Huang ”)	Executive Director of the Company and shareholder of Tecway Technology
Ms. Ye Jialing (“ Ms. Ye ”)	Non-executive Director of the Company

(b) Balance with related party

	Maximum outstanding		Balance as at	
	During the period ended 30 September 2022 HK\$'000 (Unaudited)	During the year ended 31 March 2022 HK\$'000 (Audited)	30 September 2022 HK\$'000 (Unaudited)	31 March 2022 HK\$'000 (Audited)
Other receivables				
– Mr. Wu	<u>249</u>	<u>249</u>	<u>–</u>	<u>249</u>

Other receivables represented advances to Mr. Wu as employee. Such amounts were unsecured, interest-free and repayable on demand.

	30 September	31 March
	2022	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Other payables		
– Tecway Technology	3,562	1,500
– IFG Swans	–	5,925
– Mr. Huang	1,791	–
– Ms. Ye	1,617	–
	<hr/>	<hr/>
At the end of the period/year	6,970	7,425
	<hr/> <hr/>	<hr/> <hr/>

Other payables represented advances from related parties of the Company, which are non-trade in nature, unsecured, interest-free and repayable on demand.

16 EVENTS AFTER THE REPORTING PERIOD

There were no subsequent events that require additional disclosure after the reporting period.

17 REVIEW OF INTERIM FINANCIAL REPORT

The unaudited interim financial report for the six months ended 30 September 2022 has been reviewed by the Audit Committee with no disagreement.

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 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 highend 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 six months ended 30 September 2022, 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 6 new projects. 3 projects carried forward from prior years were completed during the six months ended 30 September 2022. As at 30 September 2022, 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 September 2022, the Group has 17 registered patents, including 6 invention patents and 11 utility model patents as well, and 13 invention patents and 5 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. Burial business is the new activities of the Group, which contributed approximately of 9.1% of its revenue for the six months ended 30 September 2022 (2021: N/A). 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 six months ended 30 September 2022, the Group recorded revenue of approximately HK\$12.0 million, representing a increase of approximately 9.7% comparing with that of approximately HK\$11.0 million for the six months ended 30 September 2021. The increase in revenue was mainly due to the burial business contributed HK\$1.1 million during the six months ended 30 September 2022 (corresponding period in 2021: Nil).

Gross profit

Gross profit increased by 6.2% to HK\$3.9 million for the six months ended 30 September 2022 from HK\$3.7 million for the six months ended 30 September 2021, which was primarily due to the contribution from burial business.

Selling and marketing expenses

Selling and marketing expenses decreased by HK\$0.5 million to HK\$1.8 million for the six months ended 30 September 2022 (corresponding period in 2021: HK\$2.3 million), which was mainly due to decrease in promotion and entertainment expenses and research and development expenses for smart manufacturing solutions business.

Administrative expenses

Administrative expenses increased by 122.7% to HK\$11.3 million for the six months ended 30 September 2022 from HK\$5.1 million for the six months ended 30 September 2021, which was mainly due to increase in staff cost, research and development expenses, depreciation and amortisation.

Loss for the period

Loss for the period increased by 160.2% to HK\$10.8 million for the six months ended 30 September 2022 from HK\$4.1 million for the six months ended 30 September 2021. Such increase was mainly due to the increase in administrative expenses.

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, lease liabilities for purchase of motor vehicles and advance from related parties net of cash and cash equivalents and restricted cash) divided by total equity as at 30 September 2022 was 25.8% (31 March 2022: 10.0%). The increase in net gearing ratio mainly due to i) increase in bank borrowing; ii) increase in lease liabilities for the purchase of motor vehicles under finance leases; and iii) increase in advance from related parties.

As at 30 September 2022, the Group had a two-year credit loan of HK\$5.5 million with annual interest rate is 4.1%.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2022, the cash and cash equivalents of the Group was approximately HK\$3.1 million (31 March 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.

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 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\$2.8 million for the six months ended 30 September 2022.

CAPITAL COMMITMENTS

As at 30 September 2022, the Group did not have any capital commitments.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 September 2022.

CHARGES ON GROUP ASSETS

As at 30 September 2022, save for the restricted cash of HK\$3.8 million (31 March 2022: HK\$0.5 million) and motor vehicles of HK\$4.6 million (31 March 2022: Nil) under finance leases, the Group did not have any pledge on its assets.

SIGNIFICANT INVESTMENTS

During the six months ended 30 September 2022, the Group did not have any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 September 2022, the Group did not have any plans for material investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the six months ended 30 September 2022, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEES AND EMOLUMENT POLICIES

As at 30 September 2022, the Group had a total of 42 (2021: 22) employees, including executive Directors of the Company. 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 research and development and introduce new solution designs to cater its customers' requirements. Therefore, the Group intends to increase its research and development efforts, establish its own research and development 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.

Interest rate risk

The Group's interest rate risk arises primarily from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group has not used financial derivatives to hedge against the interest rate risk. However, from time to time, if interest rate fluctuates significantly, appropriate measures would be taken to manage interest risk exposure.

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 six months ended 30 September 2022 (2021: nil).

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

For the six months ended 30 September 2022, 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 September 2022, 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	No. of ordinary shares held	No. of underlying shares held	Percentage of interest
Mr. Huang Minzhi ("Mr. Huang") (<i>Note 1</i>)	Interest in a controlled corporation	144,097,800	–	36.02%

Note:

- (1) The disclosed interest represents the interest in the Company held by Tecway Technology Limited ("**Tecway Technology**"). The entire issued share capital of Tecway Technology is wholly owned by Mr. Huang. By virtue of the SFO, Mr. Huang is deemed to be interested in the shares held by Tecway Technology.

(II) Long position in shares or underlying shares of associated corporation

Name of Director	Name of associated corporation	Capacity	No. of shares held	Percentage of interest
Mr. Huang	Tecway Technology	Beneficial owner	10,000	100%

Save as disclosed above and so far the Directors, As at 30 September 2022, 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 interim report, 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
Tecway Technology	Long position	Beneficial interest	144,097,800	36.02%
Mr. Huang (<i>Note 1</i>)	Long position	Interest in a controlled corporation	144,097,800	36.02%
Theia Vision Capital Limited	Long position	Beneficial interest	50,627,200	12.66%
Ho Chun Kit Gregory (<i>Note 2</i>)	Long position	Interest in a controlled corporation	50,627,200	12.66%

Notes:

- 1) Tecway Technology is a company incorporated in the Hong Kong and is wholly owned by Mr. Huang. Mr. Huang is deemed to be interested in all the Shares held by Tecway Technology for the purpose of the SFO.
- 2) Theia Vision Capital Limited is a company incorporated in the British Virgin Islands (“BVI”) and is wholly owned by Ho Chun Kit Gregory. Ho Chun Kit Gregory is deemed to be interested in all the Shares held by Theia Vision Capital Limited for the purpose of the SFO.

Save as disclosed above, as at 30 September 2022, 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 interim report. The Share Option Scheme will remain in force for a period of 10 years after the date of adoption.

INTERESTS IN COMPETING BUSINESS

For the six months ended 30 September 2022, 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.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 16 to the Financial Statement, the Directors are not aware of any significant events requiring disclosure that has taken place subsequent to 30 September 2022 and up to the date of this interim report.

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 six months ended 30 September 2022.

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.

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 six months ended 30 September 2022.

CHANGE OF THE DIRECTORS’ INFORMATION

With effect from 4 November 2022, Mr. Huang has resigned as (i) an executive Director, (ii) the chairman of the Board (the “**Chairman**”); (iii) the compliance officer (the “**Compliance Officer**”) of the Company under Rule 5.19 of the GEM Listing Rules; (iv) the authorised representative (the “**Authorised Representative**”) of the Company under Rule 5.24 of the GEM Listing Rules; and (v) the chairman of nomination committee (the “**Nomination Committee**”), in order to devote more time to his personal business developments.

With effect from 4 November 2022, Mr. Zeng Weijin, an executive Director and the chief executive officer of the Company, has been appointed as (i) the Chairman; (ii) the Authorised Representative; (iii) the chairman of Nomination Committee; and (iv) the Compliance Officer.

With effect from 4 November 2022, Ms. Ye has been re-designated from a non-executive Director to an executive Director.

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 2022 annual report of the Company.

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 Code. The Audit Committee currently comprises three independent non-executive Directors and is chaired by Mr. Leung Gavin L. The other members are Mr. Ling Jie and Dr. 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 interim report for the six months ended 30 September 2022.

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

Hong Kong, 11 November 2022

As at the date of this announcement, the executive Directors are Mr. Zeng Weijin and Ms. Ye Jialing; non-executive Director is Mr. Zhou Ruizhao; and the independent non-executive Directors are Mr. Leung Gavin L., Mr. Ning Jie 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 HKEXnews website at www.hkexnews.hk for at least 7 days from the date of its posting.