

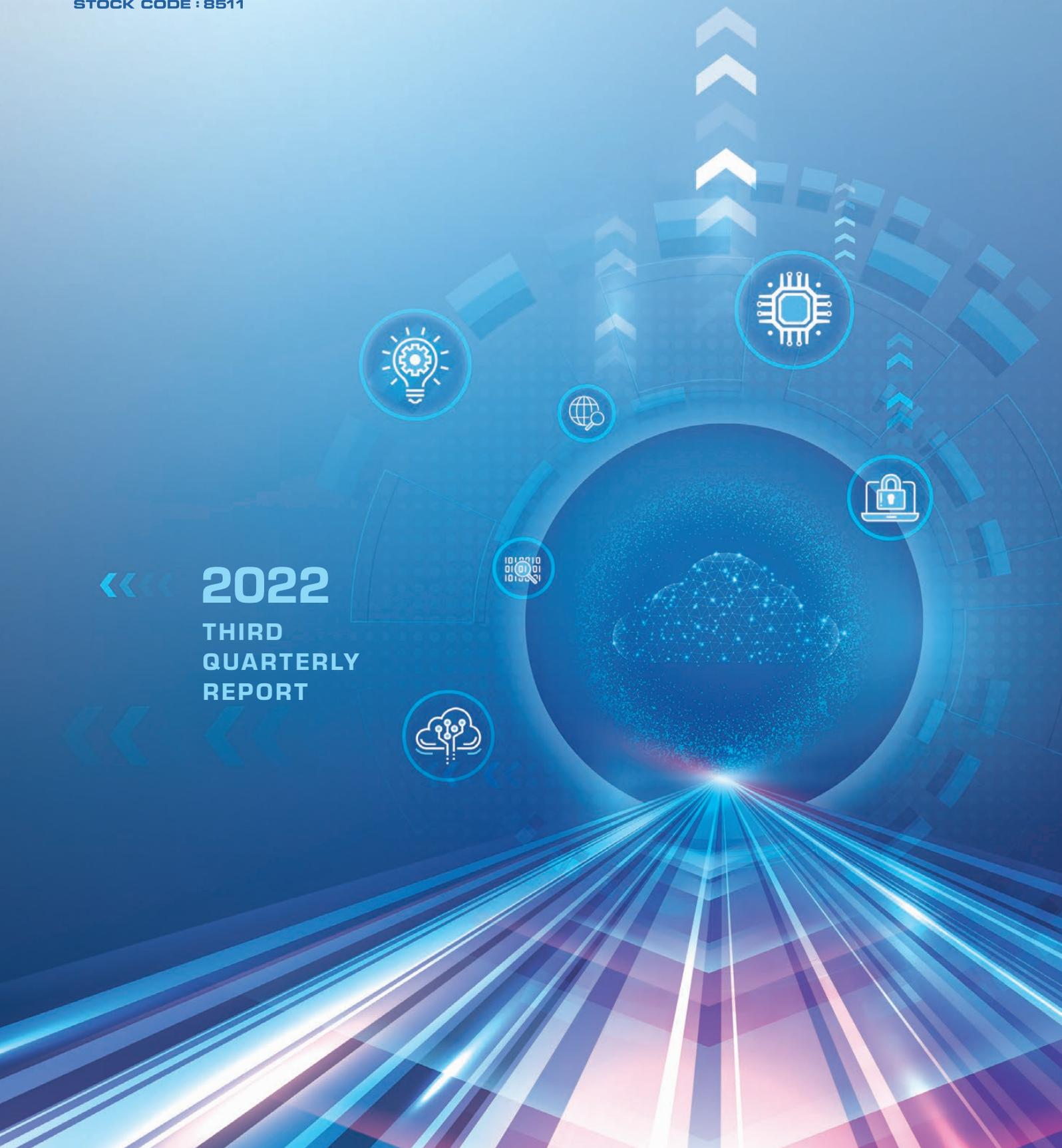
MIN FU

INTERNATIONAL HOLDING LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 8511

2022
THIRD
QUARTERLY
REPORT



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.

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*This report, 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 report 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 report misleading.*

This report 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.

HIGHLIGHTS

The Company recorded an unaudited revenue of approximately HK\$25.3 million for the nine months ended 31 December 2022, representing an increase of approximately 14.2% 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\$14.8 million for the nine months ended 31 December 2022, compared to the loss of HK\$7.0 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 nine months ended 31 December 2022 were approximately HK3.88 cents (2021: basic and diluted losses per share approximately HK1.75 cents).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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 nine months ended 31 December 2022 (the “**Reporting Period**”), together with the comparative unaudited figures for the corresponding period of 2021 as follows:

	Note	For the three months ended 31 December		For the nine months ended 31 December	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	13,223	11,156	25,268	22,135
Cost of sales		(10,903)	(7,487)	(19,009)	(14,756)
Gross profit		2,320	3,669	6,259	7,379
Selling and marketing expenses		(324)	(1,636)	(2,131)	(3,987)
Administrative expenses		(5,583)	(5,076)	(16,919)	(10,166)
Other (losses)/gains – net		184	558	(557)	360
Operating loss		(3,403)	(2,485)	(13,348)	(6,414)
Finance (cost)/income		(286)	2	(834)	3
Loss before income tax		(3,689)	(2,483)	(14,182)	(6,411)
Income tax expense	5	(357)	(365)	(656)	(585)
Loss attributable to:					
Owners of the Company		(4,046)	(2,848)	(14,838)	(6,996)
Other comprehensive income		1,108	127	(1,642)	127
Total comprehensive income attributable to:					
Owners of the Company		(2,938)	(2,721)	(16,480)	(6,869)
Losses per share					
– Basic and diluted (HK cents)	6	(1.16)	(0.71)	(3.88)	(1.75)

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	–	–	–	–	–	(6,996)	(6,996)
– other comprehensive income for the period	–	–	–	127	–	–	127
Total comprehensive income	–	–	–	127	–	(6,996)	(6,869)
Balance at 31 December 2021 (Unaudited)	312	51,640	163	901	2,461	909	56,386
Balance at 1 April 2022 (Audited)	312	51,640	163	3,157	3,067	(1,946)	56,393
Comprehensive income							
– Loss for the period	–	–	–	–	–	(14,838)	(14,838)
– other comprehensive income for the period	–	–	–	(1,642)	–	–	(1,642)
Total comprehensive income	–	–	–	(1,642)	–	(14,838)	(16,480)
Proceeds from placing ordinary shares	63	5,237	–	–	–	–	5,300
Balance at 31 December 2022 (Unaudited)	375	56,877	163	1,515	3,067	(16,784)	45,213

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 ("HKFRS"), 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 nine months ended 31 December 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2 BASIS OF PRESENTATION *(Continued)*

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 nine months ended	
	31 December 2022	2021	31 December 2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Smart Manufacturing Solutions Business				
– Sales of equipment	12,504	9,426	22,085	17,164
– Technical services	553	1,730	1,916	4,971
	13,057	11,156	24,001	22,135
Burial Business				
– Agency services for sale of burial plots and columbarium units	166	–	1,267	–
	166	–	1,267	–
Total	13,223	11,156	25,268	22,135

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 REVENUE AND SEGMENT INFORMATION *(Continued)*

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 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 nine months ended 31 December 2022 (Unaudited)			
	Smart Manufacturing Solution Business HK\$'000	Burial Business HK\$'000	Un-allocated HK\$'000	Total HK\$'000
Reportable segment revenue	24,001	1,267	–	25,268
Reportable segment loss before income tax	(4,790)	(4,570)	(4,822)	(14,182)
Amounts included in the measure of segment loss:				
Interest expenses	347	478	29	854
Depreciation	62	1,850	–	1,912
Amortisation	1,864	–	–	1,864
Interest income	20	–	–	20

For the nine months ended 31 December 2021, 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.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3 REVENUE AND SEGMENT INFORMATION (Continued)**b) Segment Information** (Continued)**Segment results** (Continued)

All of the Group's revenue was derived in the PRC during the nine months ended 31 December 2022 (2021: same).

All of the Group's non-current assets were located in the PRC as at 31 December 2022 and 2021.

4 INCOME TAX EXPENSE

	For the three months ended		For the nine months ended	
	31 December		31 December	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax				
– PRC corporate income tax	357	348	656	554
– Others	–	17	–	31
Deferred income tax	–	–	–	–
	357	365	656	585

No income tax relating to components of other comprehensive income was charged for the nine months ended 31 December 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 nine months ended 31 December 2022.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

4 INCOME TAX EXPENSE *(Continued)*

- (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 nine months ended 31 December 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 nine months ended 31 December 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 nine months ended 31 December 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 BVI income tax.

5 DIVIDENDS

The Directors did not recommend the payment of any interim dividend for the nine months ended 31 December 2022 (2021: nil).

6 LOSSES PER SHARE

Basic losses per share is calculated by dividing the loss for the periods by the weighted average number of ordinary shares in issue during the nine months ended 31 December 2022 and 2021.

	For the three months ended		For the nine months ended	
	31 December 2022 (Unaudited)	2021 (Unaudited)	31 December 2022 (Unaudited)	2021 (Unaudited)
Loss for the period attributable to owners of the Company (HK\$'000)	(4,046)	(2,848)	(14,838)	(6,996)
Weighted average number of ordinary shares in issue (thousand of shares)	347,837	400,000	382,549	400,000
Basic losses per share (HK cents)	(1.16)	(0.71)	(3.88)	(1.75)

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 nine months ended 31 December 2022 (2021: 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 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 nine months ended 31 December 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 9 new projects. 4 projects carried forward from prior years were completed during the nine months ended 31 December 2022. As at 31 December 2022, 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 December 2022, the Group had 20 registered patents, including 6 invention patents and 14 utility model patents as well, and 19 invention patents and 8 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 5.0% of its revenue for the nine months ended 31 December 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 recognised as revenue during the financial period.

FINANCIAL REVIEW

Revenue

For the nine months ended 31 December 2022, the Group recorded revenue of approximately HK\$25.3 million, representing a increase of approximately 14.2% comparing with that of approximately HK\$22.1 million for the nine months ended 31 December 2021. The increase in revenue was mainly due to the burial business contributed HK\$1.3 million during the nine months ended 31 December 2022 (corresponding period in 2021: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit

Gross profit decreased by 15.2% to HK\$6.3 million for the nine months ended 31 December 2022 from HK\$7.4 million for the nine months ended 31 December 2021.

Selling and marketing expenses

Selling and marketing expenses decreased by HK\$1.9 million to HK\$2.1 million for the nine months ended 31 December 2022 (corresponding period in 2021: HK\$4.0 million), which was mainly due to decrease in promotion and entertainment expenses for smart manufacturing solutions business.

Administrative expenses

Administrative expenses increased by 66.4% to HK\$16.9 million for the nine months ended 31 December 2022 from HK\$10.2 million for the nine months ended 31 December 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 112.1% to HK\$14.8 million for the nine months ended 31 December 2022 from HK\$7.0 million for the nine months ended 31 December 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 and advance from related parties net of cash and cash equivalents and restricted cash) divided by total equity as at 31 December 2022 was 30.7% (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 31 December 2022, the Group had a two-year credit loan of HK\$5.6 million with annual interest rate is 4.1%.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2022, the cash and cash equivalents of the Group was approximately HK\$4.2 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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\$1.6 million for the nine months ended 31 December 2022.

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\$5,299,000 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 December 2022 are listed as follows:

			Actual use of proceeds from 20 December 2022 to		Unutilised net proceeds as at	
	Planned use of proceeds	Percentage of net proceeds	31 December 2022	Percentage of net proceeds	31 December 2022	Percentage of net proceeds
	HK\$’000		HK\$’000		HK\$’000	
General working capital for operation	5,299	100%	5,299	100%	–	0%

MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 31 December 2022, the Group did not have any capital commitments.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2022.

CHARGES OF GROUP ASSETS

As at 31 December 2022, save for the restricted cash of HK\$3.8 million (31 March 2022: HK\$0.5 million) and motor vehicles of HK\$4.4 million (31 March 2022: Nil) under finance leases, the Group did not have any pledge on its assets.

SIGNIFICANT INVESTMENTS

During the nine months ended 31 December 2022, the Group did not have any significant investments.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2022, the Group did not have any plans for material investments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

During the nine months ended 31 December 2022, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

EMPLOYEES AND EMOLUMENT POLICIES

As at 31 December 2022, the Group had a total of 36 (2021: 27) 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

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 nine months ended 31 December 2022 (for the nine months ended 31 December 2021: nil).

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

For the nine months ended 31 December 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 31 December 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 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 (including interests and short positions which they are taken or deemed to have under such provisions 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 quarterly 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 Limited ("Tecway")	Long position	Beneficial interest	122,461,800	25.51%
Mr. Huang Minzhi ("Mr. Huang") (Note 1)	Long position	Interest in a controlled corporation	122,461,800	25.51%

Notes:

- 1) Tecway 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 for the purpose of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Save as disclosed above, as at 31 December 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 quarterly report. The Scheme will remain in force for a period of 10 years after the date of adoption.

INTERESTS IN COMPETING BUSINESS

For the nine months ended 31 December 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.

PLACING OF NEW SHARES OF THE COMPANY UNDER GENERAL MANDATE

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\$5,299,000 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 nine months ended 31 December 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.

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. With effect from 4 November 2022, Mr. Huang resigned as the Chairman and executive Director of the Company. The Company considers that having Mr. Zeng Weijin 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.

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 nine months ended 31 December 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.

CORPORATE GOVERNANCE AND OTHER INFORMATION

EVENTS AFTER THE REPORTING PERIOD

Appointment and resignation of Directors

With effect from 8 February 2023, each of Ms. Li Xiaoxuan and Ms. Zhang Xiaoling has been appointed as non-executive Director.

Details of the abovementioned appointment of non-executive Directors were disclosed in the announcement of the Company dated 8 February 2023.

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. Leung Gavin L. The other members are Mr. Ling Jie 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 third quarterly report for the nine months ended 31 December 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 Weijing
Chairman and executive Director

Hong Kong, 13 February 2023

As at the date of this report, the executive Directors are Mr. Zeng Weijing and Ms. Ye Jialing; the non-executive Directors are Mr. Zhou Ruizhao, Ms. Li Xiaoxuan and Ms. Zhang Xiaoling; and the independent non-executive Directors are Mr. Leung Gavin L., Mr. Ning Jie and Dr. Zhou Wenming.