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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)

DISCLOSEABLE TRANSACTION

On 13 April 2023 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Capital, representing 20% equity interest in the Target Company held by the Vendor, subject to the terms and conditions of the Agreement for a consideration of approximately RMB4,195,000.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition is 5% or more but is less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Completion is subject to fulfillment or waiver (as the case may be) of the conditions precedent set out in the Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board hereby announces that, on 13 April 2023 (after trading hours of the Stock Exchange), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Agreement with the Vendor, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Capital, representing 20% equity interest in the Target Company held by the Vendor, subject to the terms and conditions of the Agreement for a consideration of approximately RMB4,195,000.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 13 April 2023 (after trading hours of the Stock Exchange)

Parties: (a) 深圳市民富智能製造有限公司(Shenzhen Min Fu Intelligent Manufacturing Co., Ltd.*) (as the Purchaser); and
(b) 深圳市溫特萊網絡科技有限責任公司(Shenzhen Wentelai Network Technology Co., Ltd.*) (as the Vendor).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, (i) the Vendor is engaged in the provision of network technology services; (ii) the Vendor is owned as to 70% and 30% by Zhang Jingjing and Ye Huiya respectively; and (iii) the Vendor and its ultimate beneficial owners are Independent Third Parties.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Sale Capital, representing 20% equity interest in the Target Company, subject to the terms and conditions set out in the Agreement.

Consideration

The Consideration for the sale and purchase of the Sale Capital is approximately RMB4,195,000, which shall be payable by the Purchaser in cash to the Vendor within five business days after the date of completion of registration for the transfer of Sale Capital from the Vendor to the Purchaser with the relevant industry and commerce bureau in the PRC.

The Consideration was determined after arms' length negotiations between the parties with reference to the unaudited net asset value of the Target Company as at 31 March 2023 in the amount of approximately RMB20,973,000. The Consideration will be financed by the internal resources of the Company.

The Directors consider that the terms and conditions of the Acquisition are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion shall be conditional upon:

- (1) the Vendor, the Purchaser and the Target Company having obtained all necessary approvals in relation to the Acquisition in accordance with the applicable laws and their respective articles of association;
- (2) the Purchaser having completed the due diligence on the Target Company (including but not limited to legal, financial and other aspect as the Purchaser deems necessary) and being satisfied with the results of the due diligence review;
- (3) the warranties and disclosures provided by the Vendor remaining to be true, accurate, not misleading and without material omission, and nothing shall have occurred that would cause the Vendor to breach its warranties or any provision of the Agreement;
- (4) the Completion not being restricted or prohibited by any applicable law, judicial or arbitral body, or ruling or administrative decision of any governmental authorities; and
- (5) there have not been any material adverse change in respect of the Target Company.

The Purchaser shall be entitled to waive the above conditions (2), (3) and (5), and other conditions precedent cannot be waived. The Vendor shall use its reasonable endeavors to cause all conditions precedent to be fulfilled before the Long Stop Date, and if any condition precedent is not fulfilled due to the Vendor's breach of contract or intentional delay, the Vendor shall be liable for the breach and the Purchaser shall have the right to claim against the Vendor. If the conditions have not been fulfilled and/or waived by the Purchaser on or before the Long Stop Date, the Purchaser shall have the right to decide whether to terminate the Agreement.

Completion

Completion shall take place on the date of completion of registration for the transfer of Sale Capital from the Vendor to the Purchaser with the relevant industry and commerce bureau in the PRC and no later than 13 May 2023 (or such later date as may be agreed between the Purchaser and the Vendor).

Upon Completion, the Target Company will be owned as to 20% by the Purchaser and will be an associated company of the Company. The financial results of the Target Company will not be consolidated into the accounts of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC and is principally engaged in the provision of burial services and funeral services. The Target Company is the holder of the land use right for a piece of parcel of land located at Huilong Mountain, Hubei Province, the PRC. The total area of Huilong Mountain planned for development is about 445,000 square metres, i.e. about 668 mu, of which about 125,000 square metres is planned for the development of a cemetery park, which will comprise a religious and cultural exhibition hall, leisure resort, buildings, sacrificial tower, tourism information center, and comprehensive tourist attractions.

As at the date of this announcement, the Target Company is owned as to 50%, 20%, 15%, 15% by the Vendor, 深圳市法安貿易有限公司 (Shenzhen Fa An Trading Company Limited*), 深圳市前海民富資產管理有限公司 (Shenzhen Qianhai Min Fu Asset Management Company Limited*), and 深圳市惠特利科技發展有限公司 (Shenzhen Huiteli Technology Development Company Limited*) respectively.

The Purchaser will be a passive investor of the Target Company and the Target Company will not be controlled by the Purchaser after Completion. The Target Company is and, upon Completion, will continue to be managed by Zhang Jingjing and Ye Huiya. The Company may consider to acquire further equity interest in the Target Company if the Target Company performs well in the future but there is no concrete plan to do so as at the date of this announcement. The financial results of the Target Company will be equity accounted for in the consolidated financial statements of the Company upon Completion.

The unaudited financial information of the Target Company for the two financial years ended 31 December 2021 and 31 December 2022 are set out below:

	For the year ended 31 December 2022 (unaudited) (RMB'000)	For the year ended 31 December 2021 (unaudited) (RMB'000)
Loss before taxation	(36,192)	(862)
Loss after taxation	(36,192)	(862)
Net assets	18,382	98,988
	(as at 31 December 2022)	(as at 31 December 2021)

As at 31 March 2023, the unaudited net asset value of the Target Company is approximately RMB20,973,000.

REASONS AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of smart manufacturing solutions including sales of equipment and provision of relevant technical service in the PRC.

The Directors are of the view that the Acquisition will be a good investment opportunity for the Group to participate in the promising and growing death care service industry in the PRC.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Agreement are on normal commercial terms and are fair and reasonable and that the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Acquisition is 5% or more but is less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company and is subject to the reporting and announcement requirements, but is exempt from the circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Completion is subject to fulfillment or waiver (as the case may be) of the conditions precedent set out in the Agreement and therefore the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition”	the acquisition of the Sale Capital
“Agreement”	the agreement dated 13 April 2023 entered into between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors
“Company”	Min Fu International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM

“Completion”	completion of the Acquisition
“Consideration”	the aggregate consideration payable by the Purchaser to the Vendor for the Sale Capital in the amount of approximately RMB4,195,000
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Long Stop Date”	13 May 2023, being one month following the date of the Agreement (or such later as may be agreed between the Purchaser and the Vendor)
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“PRC”	the People’s Republic of China
“Purchaser”	深圳市民富智能製造有限公司(Shenzhen Min Fu Intelligent Manufacturing Co., Ltd.*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Sale Capital”	20% equity interest in the Target Company
“Share(s)”	ordinary issued share(s) of USD0.0001 each in the capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	黃岡市福圓文化發展有限公司(Huanggang Fuyuan Culture Development Co., Ltd. *), a company established in the PRC with limited liability
“Vendor”	深圳市溫特萊網絡科技有限責任公司，(Shenzhen Wentelai Network Technology Co., Ltd.*), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

* *In this announcement, the English names of certain PRC entities and individual are translation or transliteration of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

By order of the Board
Min Fu International Holding Limited
Zeng Weijin
Chairman and Chief Executive Officer

Hong Kong, 13 April 2023

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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.