

MF INTERNATIONAL LTD

FORM 20-F

(Annual and Transition Report (foreign private issuer))

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Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☐ SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from to

Commission file number: 001-42027

mF International Limited

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English)

British Virgin Islands

(Jurisdiction of incorporation or organization)

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At the address of the Company set forth above

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Ordinary Shares	MFI	The Nasdaq Capital Market

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

An aggregate of 4,204,775 Class A ordinary shares, no par value, were outstanding as of December 31, 2024.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP <input checked="" type="checkbox"/>	International Financial Reporting Standards as issued by the International Accounting Standards Board <input type="checkbox"/>	Other <input type="checkbox"/>
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* If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 ☐ Item 18 ☐

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

TABLE OF CONTENTS

<u>INTRODUCTION</u>	ii
<u>PART I</u>	1
ITEM 1. <u>IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS</u>	1
ITEM 2. <u>OFFER STATISTICS AND EXPECTED TIMETABLE</u>	1
ITEM 3. <u>KEY INFORMATION</u>	1
ITEM 4. <u>INFORMATION ON THE COMPANY</u>	27
ITEM 4A. <u>UNRESOLVED STAFF COMMENTS</u>	46
ITEM 5. <u>OPERATING AND FINANCIAL REVIEW AND PROSPECTS</u>	46
ITEM 6. <u>DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES</u>	64
ITEM 7. <u>MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS</u>	72
ITEM 8. <u>FINANCIAL INFORMATION</u>	74
ITEM 9. <u>THE OFFER AND LISTING</u>	75
ITEM 10. <u>ADDITIONAL INFORMATION</u>	75
ITEM 11. <u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	82
ITEM 12. <u>DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES</u>	83
<u>PART II</u>	84
ITEM 13. <u>DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES</u>	84
ITEM 14. <u>MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS</u>	84
ITEM 15. <u>CONTROLS AND PROCEDURES</u>	84
ITEM 16. <u>RESERVED</u>	85
ITEM 16A. <u>AUDIT COMMITTEE FINANCIAL EXPERT</u>	85
ITEM 16B. <u>CODE OF ETHICS</u>	85
ITEM 16C. <u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u>	86
ITEM 16D. <u>EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES</u>	86
ITEM 16E. <u>PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS</u>	86
ITEM 16F. <u>CHANGE IN REGISTRANT'S CERTIFYING ACCOUNTANT</u>	86
ITEM 16G. <u>CORPORATE GOVERNANCE</u>	86
ITEM 16H. <u>MINE SAFETY DISCLOSURE</u>	87
ITEM 16I. <u>DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</u>	87
ITEM 16J. <u>INSIDER TRADING POLICIES</u>	87
ITEM 16K. <u>CYBERSECURITY</u>	87
<u>PART III</u>	88
ITEM 17. <u>FINANCIAL STATEMENTS</u>	88

ITEM 18.	FINANCIAL STATEMENTS	88
ITEM 19.	EXHIBITS	88

INTRODUCTION

In this annual report on Form 20-F, unless the context otherwise requires, references to:

- “\$,” “dollars,” “USD”, “US\$” or “U.S. dollars” are to the legal currency of the United States.
- “AUD” are to the legal currency of Australia;
- “BVI Act” are to the BVI Business Companies Act, 2004 (as amended);
- “BVI” are to the British Virgin Islands;
- “CAD” are to the legal currency of Canada;
- “CHF” are to the legal currency of Switzerland and Liechtenstein;
- “China” or the “PRC” are to the People’s Republic of China, including the special administrative regions of Hong Kong and Macau, unless referencing specific laws and regulations adopted by the PRC. The same legal and operational risks associated with operations in China may also apply to operations in Hong Kong;
- “Class A Ordinary Shares” are to the Class A Ordinary Shares of mF International Limited, with no par value;
- “Class B Ordinary Shares” are to the Class B Ordinary Shares of mF International Limited, with no par value;
- “Company,” “mF International,” “we”, “us”, or “our,” are to mF International Limited, a British Virgin Islands holding company, and to describing our consolidated financial information;
- “EURO” are to the legal currency of 20 of the 27 member states of the European Union;
- “GBP” are to the legal currency of the United Kingdom and nine of its associated territories;
- “HK\$”, “HKD” and “HK Dollar” are to the legal currency of Hong Kong;
- “Hong Kong” are to the Hong Kong Special Administrative Region of the People’s Republic of China for the purposes of this annual report only;
- “mainland China” are to mainland China of the PRC, excluding Taiwan, the special administrative regions of Hong Kong and Macau for the purposes of this annual report only;
- “Memorandum and Articles” are to the current memorandum and articles of association of mF International;
- “mF” or “m-FINANCE” are to m-FINANCE Limited, a Hong Kong company incorporated on February 11, 2002 and a wholly-owned subsidiary of mF International;
- “mFTT” are to m-FINANCE Trading Technologies Ltd., a Hong Kong company incorporated on March 21, 2013 and a wholly-owned subsidiary of mF International through m-FINANCE;
- “NZD” are to the legal currency of New Zealand, the Cook Islands, Niue, the Ross Dependency, Tokelau, and a British territory, the Pitcairn Islands;
- “Operating Subsidiaries” are to m-FINANCE, mFTT and OTX (as defined below), wholly-owned subsidiaries of mF International, unless otherwise specified;
- “Ordinary Shares” are to the Class A Ordinary Shares and Class B Ordinary Shares, collectively;
- “OTX” are to Omegatraders Systems Limited, a Hong Kong company incorporated on December 10, 2009 and a wholly-owned subsidiary of mF International through m-FINANCE;
- “PRC government” are to the government of mainland China, for the purposes of this annual report only;
- “PRC laws and regulations” or “PRC laws” are to the laws and regulations of mainland China;
- “RMB” and “Renminbi” are to the legal currency of mainland China;
- “SZ WFOE” are to m-FINANCE Software (Shenzhen) Limited, a mainland China company incorporated on March 27, 2014 and a wholly-owned subsidiary of m-FINANCE before de-registration;
- “U.S. GAAP” refers to generally accepted accounting principles in the United States; and
- “XAU” refers to internationally accepted code for spot gold traded on the foreign exchange market.

We do not have any material operations of our own. We are a holding company with operations conducted in Hong Kong through the Operating Subsidiaries using Hong Kong dollars, the currency of Hong Kong. The Operating Subsidiaries reporting currency is in Hong Kong dollars. This annual report contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Translations of amounts in the consolidated balance sheets, consolidated statements of income and comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows from HK\$ into US\$ as of and for the years ended December 31, 2024 and 2023 are solely for the convenience of the reader and were calculated at the noon buying rate of US\$1 = HK\$7.7677 and US\$1 = HK\$7.8109, respectively, as published in H.10 statistical release of the United States Federal Reserve Board. No representation is made that the HK\$ amounts could have been, or could be, converted, realized or settled into US\$ at such rate or at any other rate.

Part I

Item 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not Applicable.

Item 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not Applicable.

Item 3. KEY INFORMATION

Our Corporate History

mF International is a BVI business company limited by shares and established under the laws of the British Virgin Islands on June 15, 2022. It is a holding company with no business operations of its own. mF International, through its wholly-owned subsidiaries m-FINANCE, mFTT and OTX, conducts business operations in Hong Kong. A reorganization of the legal structure of the Company (the “Reorganization”) was completed on August 22, 2022. Prior to the Reorganization, our main Hong Kong subsidiary, m-FINANCE, with its three subsidiaries mFTT, OTX and SZ WFOE, was ultimately controlled by Gaderway Investments Limited.

As part of the Reorganization, mF International was incorporated under the laws of the British Virgin Islands on June 15, 2022, and being interspersed between Gaderway Investments Limited and m-FINANCE. Consequently, mF International became the holding company of m-FINANCE, with its three subsidiaries on August 22, 2022. The Company and its subsidiaries resulting from Reorganization has always been under the common control of the same controlling shareholder, Gaderway Investments Limited, before and after the Reorganization. The consolidation of the Company and its subsidiaries has been accounted for at historical cost and prepared on the basis as if the aforementioned transactions had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements.

For the purpose of operating business in 2002, m-FINANCE was incorporated to provide financial trading solutions, including real-time mission critical forex, bullion/commodities trading platform solutions, financial value-added services, mobile applications and financial information for brokers and institutional clients in the region. After several years of operations, m-FINANCE had accumulated sufficient financial resources, and it established three wholly owned subsidiaries, OTX, mFTT and SZ WFOE in 2009, 2013 and 2014, respectively, for the purpose of increasing business efficiencies and diversification. In 2020, SZ WFOE applied for deregistration and the process of deregistration was completed in March 2023. As of the date of this annual report, we conduct our business operations in Hong Kong solely through our Operating Subsidiaries.

History of Share Issuances

The Company was established under the laws of the British Virgin Islands on June 15, 2022. The authorized number of ordinary shares was unlimited with no par value per share. On June 15, 2022, the Company issued 50,000 ordinary shares to Gaderway Investments Limited, for a consideration of US\$0.01 per share.

On August 11, 2023, our previous sole shareholder, Gaderway Investments Limited, approved a share split of our outstanding ordinary shares at a ratio of 1:231.7, which became effective immediately, resulting in 11,585,000 Ordinary Shares issued and outstanding after the share split. All references to ordinary shares, options to purchase ordinary shares, share data, per share data, and related information have been retroactively adjusted, where applicable, in this annual report to reflect the split of our ordinary shares as if it had occurred at the beginning of the earlier period presented.

After the share split of our ordinary shares effective on August 11, 2023, in November 2023, Gaderway Investments Limited entered into instruments of transfer with five investors (collectively, the “Investors”), whereby Gaderway Investments Limited sold an aggregate of 2,317,000 ordinary shares to the Investors for the aggregate consideration of \$5,792,500.

The following table sets forth the breakdown of the foregoing transactions among Gaderway Investments Limited and the Investors:

Name of the Investors	Number of ordinary shares Sold/Purchased	Consideration
Cheung Hoi Hung	440,000	\$ 1,100,000
Zhang Mi	222,000	\$ 555,000
Poon Chung Lung	546,000	\$ 1,365,000
Chan Chu Hing	569,000	\$ 1,422,500
Lo Wing Sang	540,000	\$ 1,350,000

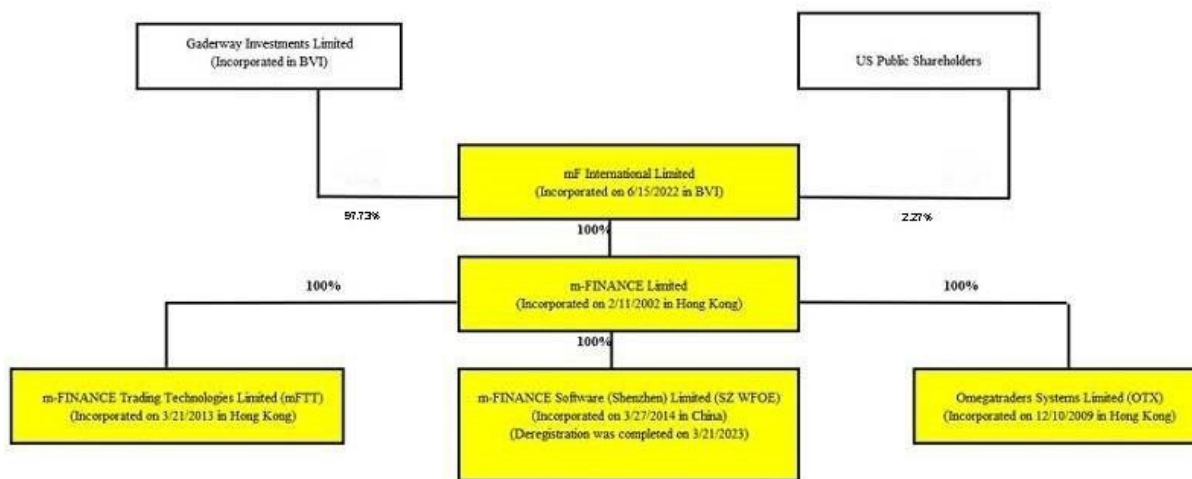
On February 21, 2024, Lo Wing Sang, one of the Investors, entered into an instrument of transfer with Miu Man Cheung, whereby Lo Wing Sang sold the 540,000 ordinary shares he held to Miu Man Cheung for a consideration of \$1,350,000.

On April 24, 2024, the Company completed its initial public offering (“IPO”) of 1,666,667 ordinary shares at a public offering price of \$4.50 per share. The net proceeds raised from the IPO were approximately \$5.7 million after deducting underwriting discounts, the offering expenses and an indemnity escrow.

On September 6, 2024, our shareholders approved the re-designation and re-classification of the ordinary shares beneficially held by Gaderway Investments Limited into 9,046,892 “Class B Ordinary Shares”, each with 20 votes per share, and the ordinary shares held by other shareholders into 4,204,775 “Class A Ordinary Shares”, each with one vote per share, on a one for one basis.

Our Corporate Structure

The following diagram illustrates our corporate structure as of the date of this annual report. All percentages in the following diagram reflect the voting ownership interests instead of the equity interests held by each of our shareholders, given that each holder of Class B Ordinary Shares will be entitled to 20 votes per one Class B Ordinary Share and each holder of Class A Ordinary Shares will be entitled to one vote per one Class A Ordinary Share.



Notes:

- (1) Gaderway Investments Limited, a company incorporated in the BVI on March 18, 2015 as a BVI business company limited by shares, is a holding company without business operations, which is owned as to approximately 61.54% by Mr. Tai Wai (Stephen) Lam and approximately 38.46% by Mr. Chi Weng Tam.
- (2) m-FINANCE Software (Shenzhen) Limited was dormant and the deregistration process was completed in March 2023.

For details of our principal shareholders' ownership, please refer to the beneficial ownership table in the section captioned "Item 6. Directors, Senior Management and Employees—E. Share Ownership."

Risks Associated with our Corporate Structure and being based in Hong Kong

mF International is not a Chinese or Hong Kong operating company, but is a holding company incorporated in the British Virgin Islands, or the BVI. mF International does not conduct any business operations. Our shareholders are only directly investing in the holding company, mF International, and may never hold equity interests in the operating subsidiaries of the Company. As a limited company with no material operations, all business operations are conducted by the Operating Subsidiaries in Hong Kong. This structure involves unique risks to the investors, and Chinese regulatory authorities could disallow this structure, which would likely result in a material change in mF International's operations and/or a material change in the value of the securities of mF International, including that such event could cause the value of such securities to significantly decline or become worthless. Investing in our Class A Ordinary Shares involves a high degree of risk, including the risk of losing your entire investment. For example, the PRC government has initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little advance notice, including a cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using the variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Given the recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause such securities to significantly decline or be worthless. Additionally, any further control over offerings conducted overseas and/or foreign investment impacting the Operating Subsidiaries in Hong Kong by the Hong Kong government could result in a material change in our operations, financial performance and/or the value of our Class A Ordinary Shares or impair our ability to raise money. See "— D. Risk Factors —Risks Related to Our Corporate Structure — *Substantially all of the Operating Subsidiaries' operations are conducted in Hong Kong. However, due to the long arm provisions under the current PRC laws and regulations, the Chinese government may exercise significant oversight and discretion over the conduct of such business and may intervene in or influence such operations at any time, which could result in a material change in the operations of the Operating Subsidiaries and/or the value of our Class A Ordinary Shares. The PRC government may also intervene or impose restrictions on our ability to move money out of Hong Kong to distribute earnings and pay dividends or to reinvest in our business outside of Hong Kong. Changes in the policies, regulations, rules, and the enforcement of laws of the Chinese government may also occur quickly with little advance notice and our assertions and beliefs of the risk imposed by the PRC legal and regulatory system cannot be certain.*"

The Operating Subsidiaries conduct a substantial amount of their business operations in Hong Kong, with less than 10% of their total customers in mainland China. Accordingly, we do not expect that the PRC laws and regulations currently have any material impact on the business of our subsidiaries, financial condition and results of operations. However, in the event that we or the Operating Subsidiaries were to become subject to PRC laws and regulations, we could incur material costs to ensure compliance, and we or the Operating Subsidiaries might be subject to fines, experience devaluation of securities or delisting, no longer be permitted to conduct offerings to foreign investors, and/or no longer be permitted to continue business operations as presently conducted. Currently, we remain subject to certain legal and operational risks associated with the Operating Subsidiaries being based in Hong Kong and having all of their operations to date in Hong Kong. Recently, the Chinese regulatory entities have imposed more control over the Hong Kong legal system. Additionally, the legal and operational risks associated with mainland China may also apply to operations in Hong Kong, and we face the risks and uncertainties associated with the complex and evolving PRC laws and regulations and as to whether and how the recent PRC government statements and regulatory developments, such as those relating to data and cyberspace security, and anti-monopoly concerns, would be applicable to our Company or our subsidiaries in Hong Kong. These risks could result in material changes in the operations of the Operating Subsidiaries and/or the value of the securities we are registering for sale or could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. In addition, the PRC government has initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little advance notice, including a cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement, which may in the future impact the Operating Subsidiaries' ability to conduct business, or our ability to accept foreign investments or list on a U.S. or other foreign exchange if we were to become subject to such regulations. On February 17, 2023, with the approval of the State Council, the China Securities Regulatory Commission (the "CSRC") released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Trial Measures") and five supporting guidelines, which became effective on March 31, 2023. According to the Trial Measures, among other requirements, (1) domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedures with the CSRC; if a domestic company fails to complete the filing procedures, such domestic company may be subject to administrative penalties; and (2) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and such filings shall be submitted to the CSRC within three business days after the submission of the overseas offering and listing application. As of the date of this annual report, as advised by Zhong Lun Law Firm, our PRC counsel, we are not subject to the filing procedures under the Trial Measures and there are no effective laws or regulations in the PRC explicitly require our Company or the Operating Subsidiaries in Hong Kong to seek approvals from the CSRC or any other PRC governmental authorities for our future overseas offering plans. Nevertheless, since these statements and regulatory actions are new, it is highly uncertain how soon the legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any. It is also highly uncertain what the potential impacts such modified or new laws and regulations will have on the business operations of the Operating Subsidiaries, our ability to accept foreign investments and the continued listing of our Class A Ordinary Shares on a U.S. or other foreign exchanges. If it is later determined that we are required by the Trial Measures to submit to the CSRC and complete the filing procedures with respect to any offering and continued listing, we cannot assure you that we will be able to complete such filings in a timely manner or even at all. Any failure by us to comply with such filing requirements under the Trial Measures may result in an order to rectify, warnings and fines against us and could materially hinder our ability to offer or continue to offer our securities. Moreover, if certain PRC laws and regulations were to become applicable to a company such as mF International or the Operating Subsidiaries in the future, the application of such laws and regulations may have a material adverse impact on the business of our subsidiaries, our financial condition and results of operations and our ability to offer or continue to offer securities to investors, any of which may cause the value of our securities, including the Class A Ordinary Shares, to significantly decline or become worthless. See "— D. Risk Factors — Risks Related to Our Corporate Structure — *The PRC government has initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using the variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. In the future, we may be subject to PRC laws and regulations related to the current business operations of the Operating Subsidiaries and any changes in such laws and regulations and interpretations may impair their ability to operate profitably, which could result in a material negative impact on such operations and/or the value of the securities we are registering for sale.*", "— D. Risk Factors — Risks Related to Doing Business in Hong Kong — *The enactment of Law of the PRC on Safeguarding National Security in the Hong Kong Special Administrative Region (the "Hong Kong National Security Law") could impact the Operating Subsidiaries*", and "— D. Risk Factors — Risks Related to Doing Business in Hong Kong — *The Hong Kong legal system embodies uncertainties which could limit the availability of legal protections.*"

Furthermore, our Class A Ordinary Shares may be prohibited from trading on a national exchange or in the over-the-counter trading market in the United States under the Holding Foreign Companies Accountable Act (the “HFCA Act”), as amended by the Accelerating Holding Foreign Companies Accountable Act (the “Accelerating HFCA Act”), if the Public Company Accounting Oversight Board (United States) (the “PCAOB”), determines that it cannot inspect or fully investigate our auditors for two consecutive years beginning in 2022. As a result, an exchange may determine to delist our securities. Additionally, our securities may be prohibited from trading if our auditor cannot be fully inspected as more stringent criteria have been imposed by the SEC and the PCAOB, recently. On December 2, 2021, the SEC issued amendments to finalize rules implementing the submission and disclosure requirements in the HFCA Act, which became effective on January 10, 2022. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB is unable to inspect or investigate completely because of a position taken by an authority in foreign jurisdictions. For example, on December 16, 2021, the PCAOB issued a report on its determinations that it was unable to inspect or investigate completely PCAOB-registered public accounting firms headquartered in mainland China and in Hong Kong, because of positions taken by PRC authorities in those jurisdictions. On August 26, 2022, the PCAOB signed a Statement of Protocol (SOP) Agreement with the CSRC and China’s Ministry of Finance (the “SOP Agreement”). The SOP Agreement established a specific, accountable framework to make possible complete inspections and investigations by the PCAOB of audit firms based in mainland China and Hong Kong, as required under U.S. law. On December 15, 2022, the PCAOB Board determined that the PCAOB was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate its previous determinations to the contrary. However, should PRC authorities obstruct or otherwise fail to facilitate the PCAOB’s access in the future, the PCAOB Board will consider the need to issue a new determination. On December 29, 2022, legislation titled “Consolidated Appropriations Act, 2023” (the “Consolidated Appropriations Act”), was signed into law by former President Biden. The Consolidated Appropriations Act contained, among other things, an identical provision to the Accelerating HFCA Act, which reduces the number of consecutive non-inspection years required for foreign companies to comply with PCAOB audits under the HFCA Act from what was originally three years to two, thus reducing the time period before their securities may be prohibited from trading or delisted. Our former auditor for fiscal years 2022 and 2023, Marcum Asia CPAs LLP (“Marcum Asia”), and our new auditor, Yu Certified Public Accountant, P.C, are headquartered in New York, the United States and have been inspected by the PCAOB on a regular basis. However, we cannot assure you that the NASDAQ Capital Market or other regulatory authorities would not apply additional or more stringent criteria to us after considering the effectiveness of our auditor’s audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach or experience as it relates to the audit of our financial statements. The delisting of our Class A Ordinary Shares, or the threat of their being delisted, may materially and adversely affect the value of your investment in the future. See “— D. Risk Factors — Risks Related to Our Class A Ordinary Shares and the Trading Market — *Our Class A Ordinary Shares may be prohibited from being traded on a national exchange under the HFCA Act if the Public Company Accounting Oversight Board determines that it cannot inspect or fully investigate our auditors for two consecutive years beginning in 2022 and, as a result, an exchange may determine to delist our securities. The delisting of our Class A Ordinary Shares, or the threat of being delisted, may materially and adversely affect the value of your investment.*”

As of the date of this annual report, Gaderway Investments Limited, our largest shareholder, owns more than a majority of the voting power of our outstanding Ordinary Shares. As a result, Gaderway Investments Limited has the ability to control the outcome of matters submitted to the shareholders for approval. Additionally, we may be deemed to be a “controlled company” within the meaning of the NASDAQ listing rules. However, even if we are deemed to be a “controlled company,” we do not intend to avail ourselves of the corporate governance exemptions afforded to a “controlled company” under the NASDAQ Listing Rules. For a more detailed discussion of the risk of the Company being a controlled company, see “— D. Risk Factors — Risks Related to Our Corporate Structure — *Gaderway Investments Limited, our largest shareholder, owns more than a majority of the voting power of our outstanding Ordinary Shares. As a result, Gaderway Investments Limited has the ability to control the outcome of matters submitted to the shareholders for approval. Additionally, we may be deemed to be a “controlled company” and may follow certain exemptions from certain corporate governance requirements that could adversely affect our public shareholders.*” on page 14 and “Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES — A. Directors and Senior Management — Controlled Company.”

Dividend Distributions, Cash Transfer, and Tax Consequences

mF International is permitted under the laws of British Virgin Islands to provide funding to our subsidiaries in Hong Kong through loans or capital contributions without restrictions on the amount of the funds. The Operating Subsidiaries are permitted under the laws of Hong Kong to provide funding to mF International, the holding company incorporated in the British Virgin Islands, through dividend distributions or payments without restrictions on the amount of the funds.

There are no restrictions or limitation on our ability to distribute earnings from our subsidiaries, including our subsidiaries in Hong Kong, to mF International and shareholders and U.S. investors, provided that the entity remains solvent after such distribution. Subject to the BVI Business Companies Act, 2004 (as amended), or the BVI Act and our Memorandum and Articles of Association, or Memorandum and Articles, our board of directors (the “Board”) may authorize and declare a dividend to shareholders at such time and of such an amount as they think fit if they are satisfied, on reasonable grounds, that immediately following the dividend payment, the value of our assets will exceed our liabilities and we will be able to pay our debts as they become due. According to the Companies Ordinance (Cap.622, Laws of Hong Kong), a Hong Kong company may only make a distribution out of profits available for distribution. Other than the above, we did not adopt or maintain any cash management policies and procedures as of the date of this annual report. Additionally, as of the date of this annual report, there are no further BVI or Hong Kong statutory restrictions on the amount of funds which may be distributed by us by dividend payments. However, in the future, funds may not be available to fund operations or for other use outside of Hong Kong, due to interventions in, or the imposition of restrictions and limitations on, our ability or on our subsidiaries’ ability by the PRC government to transfer cash. Any limitation on the ability of our subsidiaries to make payments to us could have a material adverse effect on the ability to conduct business of the Operating Subsidiaries and might materially decrease the value of our Class A Ordinary Shares or cause them to be worthless. For a more detailed discussion of how the cash is transferred within our organization, see “— D. Risk Factors — Risks Related to the Corporate Structure — *We rely on dividends and other distributions on equity paid by the Operating Subsidiaries to fund any cash and financing requirements we may have. In the future, funds may not be available to fund operations or for other use outside of Hong Kong, due to interventions in, or the imposition of restrictions and limitations on, our ability or the Operating Subsidiaries by the PRC government to transfer cash. Any limitation on the ability of our Operating Subsidiaries to make payments to us could have a material adverse effect on the Operating Subsidiaries’ ability and might materially decrease the value of our Class A Ordinary Shares or cause them to be worthless.*”

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us. As of the date of this annual report, there are no restrictions or limitations under the laws of Hong Kong imposed on the conversion of HK\$ into foreign currencies and the remittance of currencies out of Hong Kong or across borders and to U.S. investors. The laws and regulations of the PRC do not currently have any material impact on the transfer of cash from mF International to the Operating Subsidiaries or from the Operating Subsidiaries to mF International, our shareholders and U.S. investors. However, the Chinese government may, in the future, impose restrictions or limitations on our ability to transfer money out of Hong Kong, to distribute earnings and pay dividends to and from the other entities within our organization, or to reinvest in our business outside of Hong Kong. Such restrictions and limitations, if imposed in the future, may delay or hinder the expansion of our business outside of Hong Kong and may affect our ability to receive funds from the Operating Subsidiaries in Hong Kong. The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case, that restrict or otherwise unfavorably impact the ability or way we or the Operating Subsidiaries conduct business, could require us to change certain aspects of the business of the Operating Subsidiaries to ensure compliance, which could decrease demand for our services, reduce revenues, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, the business of the Operating Subsidiaries, our financial condition and results of operations could be adversely affected and such measures could materially decrease the value of our Class A Ordinary Shares, potentially rendering it worthless. For a more detailed discussion of this risk, see “— D. Risk Factors — Risks Related to Our Corporate Structure — *We rely on dividends and other distributions on equity paid by the Operating Subsidiaries to fund any cash and financing requirements we may have. In the future, funds may not be available to fund operations or for other use outside of Hong Kong, due to interventions in, or the imposition of restrictions and limitations on, our ability or the Operating Subsidiaries by the PRC government to transfer cash. Any limitation on the ability of the Operating Subsidiaries to make payments to us could have a material adverse effect on our Operating Subsidiaries’ ability to conduct business and might materially decrease the value of our Class A Ordinary Shares or cause them to be worthless.*”

On March 23, 2022, m-FINANCE declared an interim dividend of HK\$0.863 per share (equivalent to US\$0.111 per share), or HK\$10,000,000 in aggregate (equivalent to US\$1,281,805), to its shareholder, which was settled in cash on March 24, 2022. On June 30, 2022, m-FINANCE declared an interim dividend of HK\$0.691 per share (equivalent to US\$0.089 per share) or HK\$8,000,000 (equivalent to US\$1,025,444), to its shareholder, and the amount of the dividend payable was concurrently settled by netting off the outstanding amounts due from related parties. On August 15, 2022, m-FINANCE declared an interim dividend of HK\$0.873 per share (equivalent to US\$0.112 per share) or HK\$10,114,311 in aggregate (equivalent to US\$1,296,457), to its shareholder, and the dividend payable was concurrently settled by netting off the outstanding amounts due from the related parties. The amounts due from related parties were presented as a reduction of the shareholder’s equity pursuant to the Codification of Staff Accounting Bulletins Topic 4, section G. On March 27, 2023, the Company declared an interim dividend of HK\$0.218 per share (equivalent to US\$0.028 per share), or HK\$2,528,413 in aggregate (equivalent to US\$324,093), to its shareholder, which was settled in cash on the same day. On July 31, 2023, the Company declared an interim dividend of HK\$0.242 per share (equivalent to US\$0.031 per share), or HK\$2,800,800 in aggregate (equivalent to US\$359,008), to its shareholder, which was settled in cash on the same day.

The Company and its Operating Subsidiaries currently intend to retain all of their respective remaining funds and future earnings, if any, for the operation and expansion of the business and do not anticipate declaring or paying any further dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, contractual requirements, business prospects and other factors the board of directors deems relevant, and subject to the restrictions contained in any future financing instruments.

As of the date of this annual report, we do not plan to pay any further dividends out of our retained earnings in the foreseeable future.

Selected Consolidated Financial Schedule

The following selected consolidated statements of income and comprehensive income for the years ended December 31, 2022, 2023 and 2024 and selected consolidated balance sheets data as of December 31, 2022, 2023 and 2024 have been derived from our consolidated financial statements included elsewhere in this annual report.

Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results are not necessarily indicative of the results that may be expected in the future. The following summary consolidated financial data should be read in conjunction with “Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS — A. Operating Results” and our consolidated financial statements included elsewhere in this annual report.

As of and for the years ended December 31, 2022, 2023 and 2024

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Revenue	34,931,827	31,961,177	26,085,318	3,358,178
Cost of revenue	16,512,702	13,995,670	13,783,124	1,774,415
Gross profit	18,419,125	17,965,507	12,302,194	1,583,763
Total operating expenses	10,876,654	11,283,291	31,673,430	4,077,581
Income (loss) from operations	7,542,471	6,682,216	(19,371,236)	(2,493,818)
Total other income (expense), net	(336,027)	94,974	(57,997)	(7,466)
Income (loss) before income taxes	7,206,444	6,777,190	(19,429,233)	(2,501,284)
Income tax expense	(387,845)	(148,309)	(781,759)	(100,642)
Net income (loss)	6,818,599	6,628,881	(20,210,992)	(2,601,926)
Other comprehensive income (loss)				
Foreign currency translation adjustment	7,496	17,866	3,964	32,528
Comprehensive income (loss)	6,826,095	6,646,747	(20,207,028)	(2,569,398)
As of December 31,				
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Current assets	15,522,433	10,104,898	34,005,174	4,377,765
Non-current assets	19,017,770	23,746,921	24,300,237	3,128,369
Total assets	34,540,203	33,851,819	58,305,411	7,506,134
Current liabilities	11,904,112	12,182,221	17,042,523	2,194,024
Non-current liabilities	12,210,193	9,926,166	5,350,316	688,790
Total liabilities	24,114,305	22,108,387	22,392,839	2,882,814
Total shareholders' equity	10,425,898	11,743,432	35,912,572	4,623,320

A. Reserved

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Risks Related to Our Corporate Structure

We rely on dividends and other distributions on equity paid by the Operating Subsidiaries to fund any cash and financing requirements we may have. In the future, funds may not be available to fund operations or for other use outside of Hong Kong, due to interventions in, or the imposition of restrictions and limitations on, our ability or the Operating Subsidiaries by the PRC government to transfer cash. Any limitation on the ability of the Operating Subsidiaries to make payments to us could have a material adverse effect on our Operating Subsidiaries' ability to conduct business and might materially decrease the value of our Class A Ordinary Shares or cause them to be worthless.

We are a holding company incorporated in the British Virgin Islands, and we rely on dividends and other distributions on equity paid by the Operating Subsidiaries for our cash and financing requirements, including for the provision of funds necessary to pay dividends and other cash distributions to our shareholders and to service any debt we may incur. If the Operating Subsidiaries incur debt on their own behalf in the future, the instruments governing the

debt may restrict its ability to pay dividends or make other distributions to us.

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us. See “Item 4. Information on the Company — B. Business Overview — Regulations — Regulations related to Hong Kong taxation.” The PRC laws and regulations do not currently have any material impact on transfers of cash from mF International to Operating Subsidiaries or from Operating Subsidiaries to mF International, our shareholders and U.S. investors. However, the Chinese government may, in the future, impose restrictions or limitations on our ability to transfer money out of Hong Kong, to distribute earnings and pay dividends to and from the other entities within our organization, or to reinvest in our business outside of Hong Kong. Such restrictions and limitations, if imposed in the future, may delay or hinder the expansion of our business outside of Hong Kong and may affect our ability to receive funds from the Operating Subsidiaries in Hong Kong. The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case, that restrict or otherwise unfavorably impact the ability or way we or the Operating Subsidiaries conduct business, could require us to change certain aspects of our Operating Subsidiaries’ business to ensure compliance, which could decrease demand for our services, reduce revenues, increase costs, require us to obtain more licenses, permits, approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our business, our financial condition and results of operations could be adversely affected and such measures could materially decrease the value of our Class A Ordinary Shares, potentially rendering them worthless.

The PRC government has initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little or no advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using the variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. In the future, we may be subject to PRC laws and regulations related to our current business operations and any changes in such laws and regulations and interpretations may impair our ability to operate profitably, which could result in a material negative impact on our operations and/or the value of the securities we are registering for sale.

Although we have direct ownership of the Operating Subsidiaries in Hong Kong, and currently do not have, nor intend to have, any subsidiary or any contractual arrangement to establish a VIE structure with any entity in mainland China, we are still subject to certain legal and operational risks associated with the Operating Subsidiaries being based in Hong Kong and having all operations conducted in Hong Kong, as of the date of this annual report. However, the legal and operational risks associated with China may also apply to our Operating Subsidiaries’ operations in Hong Kong, and we face the risks and uncertainties associated with the complex and evolving PRC laws and regulations and as to whether and how the recent PRC government statements and regulatory developments, such as those relating to data and cybersecurity and anti-monopoly concerns, would be applicable to our Company or our subsidiaries in Hong Kong. In the event that we or the Operating Subsidiaries were to become subject to PRC laws and regulations, we could incur material costs to ensure compliance, and we or the Operating Subsidiaries might be subject to fines, experience devaluation of securities or delisting, no longer be permitted to conduct offerings to foreign investors, and/or no longer be permitted to continue business operations as presently conducted. Our organizational structure involves risks to the investors, and Chinese regulatory authorities could disallow this structure, which would likely result in a material change in mF International’s operations and/or a material change in the value of the securities mF International is registering for sale, including the risk that such event could cause the value of such securities to significantly decline or become worthless. Moreover, there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations including, but not limited to, the laws and regulations related to our Operating Subsidiaries’ business and the enforcement and performance of our arrangements with customers in certain circumstances. The laws and regulations are sometimes vague and may be subject to future changes, and their official interpretation and enforcement may involve substantial uncertainty. The effectiveness and interpretation of newly enacted laws or regulations, including amendments to existing laws and regulations, may be delayed, and our Operating Subsidiaries’ business may be affected if we rely on laws and regulations which are subsequently adopted or interpreted in a manner different from our understanding of these laws and regulations. New laws and regulations that affect existing and proposed future businesses may also be applied retroactively. We cannot predict what effect the interpretation of existing or new PRC laws or regulations may have on our Operating Subsidiaries’ business.

The uncertainties regarding the enforcement of laws and the fact that rules and regulations in China can change quickly with little advance notice, along with the risk that the Chinese government may intervene or influence our operations at any time could result in a material change in our operations and/or the value of the securities we are registering.

We may become subject to a variety of PRC laws and other obligations regarding M&A Rules and data security, and any failure to comply with applicable laws and obligations could have a material and adverse effect on our Operating Subsidiaries' business, financial condition and results of operations.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, require an overseas special purpose vehicle formed for listing purposes through acquisitions of domestic companies in mainland China and controlled by companies or individuals of mainland China to obtain the approval of the China Securities Regulatory Commission, or the CSRC, prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In addition, on February 17, 2023, the CSRC promulgated the Trial Measures and five supporting guidelines, which became effective on March 31, 2023, requiring, among other things, that (1) domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedures with the CSRC; if a domestic company fails to complete the filing procedures, such domestic company may be subject to administrative penalties; (2) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and such filings shall be submitted to the CSRC within three business days after the submission of the overseas offering and listing application.

mF International is a holding company incorporated in the British Virgin Islands with three Operating Subsidiaries based in Hong Kong, and, as of the date of this annual report, we have no active subsidiary, VIE structure or any direct operations in mainland China, nor do we intend to have any subsidiary or VIE structure or intent to acquire any equity interests in any domestic companies in mainland China, and we are not controlled by any companies or individuals of mainland China. Further, we are headquartered in Hong Kong, with our chief executive officer, chief financial officer and all members of the board of directors of mF International based in Hong Kong, not mainland China, and all of our revenues and profits are generated by the Operating Subsidiaries in Hong Kong. Moreover, pursuant to the Basic Law of the Hong Kong Special Administrative Region, or the Basic Law, PRC laws and regulations shall not be applied in Hong Kong except for those listed in Annex III of the Basic Law (which is confined to laws relating to national defense, foreign affairs and other matters that are not within the scope of autonomy). Therefore, as of the date of this annual report, the CSRC's approval is not required for the listing and trading of our Class A Ordinary Shares in the U.S. exchange as provided under the M&A Rules, and we would not be subject to filing requirements with the CSRC pursuant to the Trial Measures and supporting guidelines.

We are aware that the PRC government has initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using the variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. For example, on July 6, 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly issued a document to crack down on illegal activities in the securities market and promote the high-quality development of the capital market, which, among other things, requires the relevant governmental authorities to strengthen cross-border oversight of law-enforcement and judicial cooperation, to enhance supervision over China-based companies listed overseas, and to establish and improve the system of extraterritorial application of the PRC securities laws.

In addition, on December 28, 2021, the Cyberspace Administration of China (the “CAC”), together with other administrative departments, jointly promulgated the Cybersecurity Review Measures which became effective on February 15, 2022, and repealed the Cybersecurity Review Measures promulgated on April 13, 2020. Such Measures require that, among other things, and in addition to any operator of critical information infrastructure, any network platform operators possessing personal information of more than one million users which seeks to list in a foreign stock exchange shall also be subject to cybersecurity review, and such Measures further elaborate on the factors to be considered when assessing the national security risks of the relevant activities. The publication and revision of the Cybersecurity Review Measures indicates greater oversight by the PRC regulatory authorities over data security, which may impact our Operating Subsidiaries’ business in the future. On September 24, 2024, the State Council promulgated the Regulations on Network Data Security Management (the “Data Security Regulations”), which came into effect on January 1, 2025. The Data Security Regulations require that network data processors conducting data processing activities that affect or may affect national security shall undergo a national security review in accordance with relevant national regulations. As of the date of this annual report, the Operating Subsidiaries currently have less than 10% of their total customers in mainland China. Additionally, the Operating Subsidiaries may collect and store certain data for customer registration purpose. As of the date of this annual report, we do not expect the Cybersecurity Review Measures or the Data Security Regulations to have an impact on the Operating Subsidiaries business or operations to subject us or the Operating Subsidiaries to permission requirements from the CAC or any other government agency that is required to approve our operations, as we do not believe that we will be deemed to be an “operator of critical information infrastructure” or a “network platform operator” possessing personal information of more than one million users, that are required to file for cybersecurity review before listing in the U.S., because (i) all operations are conducted by the Operating Subsidiaries which currently mostly serve clients outside mainland China; (ii) we do not have or intend to have, nor do we have or intend to establish, a VIE structure with any entity in mainland China and the Cybersecurity Review Measures remain unclear whether they shall be applied to a company like us; (iii) as of the date of this annual report, we have neither collected nor stored any personal information of any mainland China individual or within mainland China, nor do we entrust or expect to be entrusted by any individual or entity to conduct any data processing activities of any mainland China individual or within mainland China, and the data processed in our business is less likely to have a bearing on national security; (iv) as of the date of this annual report, we have not been informed by any PRC governmental authority of any requirement that we must file for a cybersecurity review; and (v) pursuant to the Basic Law of the Hong Kong Special Administrative Region, or the Basic Law, PRC laws and regulations shall not be applied in Hong Kong except for those listed in Annex III of the Basic Law (which is confined to laws relating to national defense, foreign affairs and other matters that are not within the scope of autonomy). However, there remains significant uncertainty in the interpretation and enforcement of relevant PRC cybersecurity laws and regulations. If we were deemed to be an “operator of critical information infrastructure” or a “network platform operator” possessing personal information of more than one million users, or if other regulations promulgated in relation to the Cybersecurity Review Measures and the Data Security Regulations are deemed to apply to us, the business operations of the Operating Subsidiaries and the listing of our Class A Ordinary Shares in the U.S. could be subject to CAC’s cybersecurity review or we and the Operating Subsidiaries might be covered by permission from the CAC or any other government agency that is required to approve our operations in the future. Nevertheless, since these statements and regulatory actions are new, it is highly uncertain how soon the legislative or administrative regulation making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any. It also remains highly uncertain what the potential impact such modified or new laws and regulations will have on our daily business operations, its ability to accept foreign investments and the listing of our Class A Ordinary Shares on a U.S. or other foreign exchanges. If any or all of the foregoing were to occur, it may cause the value of our Class A Ordinary Shares to significantly decline or become worthless.

On February 17, 2023, with the approval of the State Council, the CSRC released the Trial Measures and five supporting guidelines, which became effective on March 31, 2023. According to the Trial Measures, among other requirements, (1) domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedures with the CSRC; if a domestic company fails to complete the filing procedures, such domestic company may be subject to administrative penalties; (2) where a domestic company seeks to indirectly offer and list securities in an overseas market, the issuer shall designate a major domestic operating entity responsible for all filing procedures with the CSRC, and such filings shall be submitted to the CSRC within three business days after the submission of the overseas offering and listing application. As advised by our PRC counsel, Zhong Lun Law Firm, since the Company is a company duly incorporated in the BVI, (i) with business operations conducted by the Operating Subsidiaries located in Hong Kong, and (ii) neither the Company nor the Operating Subsidiaries currently have any subsidiary in the PRC nor have they entered into any contractual arrangements to establish a variable interest entity structure with any entity in the PRC, the Company fails to meet the conditions under Article 15 of the Trial Measures and the supporting guidelines which constitute an indirect overseas listing in an overseas market that would otherwise subject the Company to the Trial Measures and supporting guidelines as of the date of this annual report. Therefore, as of the date of this annual report, no effective laws or regulations in the PRC explicitly require our Company or the Operating Subsidiaries in Hong Kong to seek approvals from the CSRC or any other PRC governmental authorities for our future overseas offering plans. If it is later determined that we are required by the Trial Measures to submit to the CSRC and complete the filing procedures of any offering and listing, we cannot assure you that we will be able to complete such filings in a timely manner or even at all. Any failure by us to comply with such filing requirements under the Trial Measures may result in an order to rectify, warnings and fines against us and could materially hinder our ability to offer or continue to offer our securities.

As of the date of this annual report, we are advised by Hong Kong counsel, Bird & Bird, that we are not required to obtain permission or approval from Hong Kong authorities to offer the securities being registered to foreign investors, save that our Class A Ordinary Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules promulgated thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong). Should there be any change in applicable laws, regulations, or interpretations, and we or any of the Operating Subsidiaries are required to obtain such permissions or approvals in the future, we will strive to comply with the then applicable laws, regulations, or interpretations.

Based on our understanding of the PRC laws and regulations currently in effect, as of the date of this annual report, neither we nor the Operating Subsidiaries are subject to the M&A Rules, the Cybersecurity Review Measures, the Data Security Regulations, the Trial Measures or the regulations or policies that have been issued by the CSRC, the State Council or the CAC as of the date of this annual report, nor are we currently covered by permission requirements from the CSRC, the CAC or any other PRC governmental agency that is required to approve our listing on the U.S. exchanges and offering securities. Hence, based on the foregoing, since we are not subject to the regulations or policies issued by the CSRC, the CAC or the State Council to date, we believe that we are currently not required to be compliant with such regulations and policies issued by the CSRC, the CAC or the State Council as of the date of this annual report. Further, as of the date of this annual report, neither we nor the Operating Subsidiaries have ever applied for any such permission or approval, as we currently are not subject to the M&A Rules or the regulations and policies issued by the CAC or any other PRC governmental agency. However, if there is significant change to current political arrangements between mainland China and Hong Kong, or the applicable laws, regulations, or interpretations change, and, in such event, if we are required to obtain such approvals in the future and we do not receive or maintain the approvals or are denied permission from mainland China or Hong Kong authorities, we will not be able to list our Class A Ordinary Shares on a U.S. exchange, or continue to offer securities to investors, which would materially affect the interests of the investors and cause significant the value of our Class A Ordinary Shares significantly decline or be worthless.

Substantially all of our Operating Subsidiaries' operations are conducted in Hong Kong. However, due to the long arm provisions under the current PRC laws and regulations, the Chinese government may exercise significant oversight and discretion over the conduct of such business and may intervene in or influence such operations at any time, which could result in a material change in the operations of the Operating Subsidiaries and/or the value of our Class A Ordinary Shares. The PRC government may also intervene or impose restrictions on our ability to move money out of Hong Kong to distribute earnings and pay dividends or to reinvest in our business outside of Hong Kong. Changes in the policies, regulations, rules, and the enforcement of laws of the Chinese government may also occur quickly with little advance notice and our assertions and beliefs of the risk imposed by the PRC legal and regulatory system cannot be certain.

The PRC government has initiated a series of regulatory actions and statements to regulate business operations in certain areas in China with little advance notice, including a cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas using the variable interest entity structure, adopting new measures to extend the scope of cybersecurity reviews, and expanding the efforts in anti-monopoly enforcement. Given the recent statements by the Chinese government indicating an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause such securities to significantly decline or be worthless. Additionally, any further control over offerings conducted overseas and/or foreign investment impacting the Operating Subsidiaries in Hong Kong by the Hong Kong government could result in a material change in our operations, financial performance and/or the value of our Class A Ordinary Shares or impair our ability to raise money.

If the Chinese government chooses to extend oversight and control over offerings that are conducted overseas and/or foreign investment in mainland China-based issuers to Hong Kong-based issuers, such action may significantly limit or completely hinder our ability to offer or continue to offer Class A Ordinary Shares to investors and cause the value of our Class A Ordinary Shares to significantly decline or be worthless.

Recent statements, laws and regulations by the Chinese government, including the Cybersecurity Review Measures, the Data Security Regulations, the PRC Personal Information Protection Law, and the Trial Measures published by CSRC, have already indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investments in China-based issuers. It remains uncertain whether the Chinese government will adopt additional requirements or extend the existing requirements to apply to the Operating Subsidiaries located in Hong Kong. Any future action by the PRC government expanding the categories of industries and companies whose foreign securities offerings are subject to review by the CSRC could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and could cause the value of such securities to significantly decline or be worthless.

We are an “emerging growth company” within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make it more difficult to compare our performance with other public companies.

We are an “emerging growth company” within the meaning of the Securities Act, as modified by the JOBS Act. Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised, and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used.

As an “emerging growth company” under applicable law, we are subject to lessened disclosure requirements. Such reduced disclosure may make our Class A Ordinary Shares less attractive to investors.

For as long as we remain an “emerging growth company”, as defined in the JOBS Act, we will elect to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies”, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. Because of these lessened regulatory requirements, our shareholders would be left without information or rights available to shareholders of more mature companies. If some investors find our Class A Ordinary Shares less attractive as a result, there may be a less active trading market for our Class A Ordinary Shares and our Ordinary Share price may be more volatile.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an “emerging growth company”.

As of the date of this annual report, we incur significant legal, accounting and other expenses as a public company that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC, impose various requirements on the corporate governance practices of public companies. We are an “emerging growth company,” as defined in the JOBS Act and will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our IPO, (b) in which we have total annual gross revenue of at least \$1.235 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our Class A Ordinary Shares that is held by non-affiliates exceeds \$700 million as of the prior the fiscal year ended on December 31, 2021 and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 in the assessment of the emerging growth company’s internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

Compliance with these rules and regulations increases our legal and financial compliance costs and makes some corporate activities more time-consuming and costly. After we are no longer an “emerging growth company,” or until five years following the completion of our initial public offering, whichever is earlier, we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 and the other rules and regulations of the SEC. For example, as a public company, we may be required to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We may invest in obtaining director and officer liability insurance. In addition, we may incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

Gaderway Investments Limited, our largest shareholder, owns more than a majority of the voting power of our outstanding Ordinary Shares. As a result, Gaderway Investments Limited has the ability to control the outcome of matters submitted to the shareholders for approval. Additionally, we may be deemed to be a “controlled company” and may follow certain exemptions from certain corporate governance requirements that could adversely affect our public shareholders.

As of the date of this annual report, our biggest shareholder, Gaderway Investments Limited, owns approximately 97.73% of the aggregate voting power of our outstanding Ordinary Shares. As a result, Gaderway Investments Limited has the ability to control the outcome of matters submitted to the shareholders for approval, including the election of directors and any merger, consolidation, or sale of all or substantially all of our assets.

Under the NASDAQ listing rules, a company of which more than 50% of the voting power is held by an individual, group, or another company is a “controlled company” and is permitted to elect to rely, and may rely, on certain exemptions from the obligation to comply with certain corporate governance requirements, including:

- the requirement that our director nominees must be selected or recommended solely by independent directors; and
- the requirement that we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

Although we do not intend to rely on the “controlled company” exemptions under the NASDAQ listing rules even if we are deemed to be a “controlled company,” we could elect to rely on these exemptions in the future. If we were to elect to rely on the “controlled company” exemptions, a majority of the members of our board of directors might not be independent directors and our nominating and corporate governance and compensation committees might not consist entirely of independent directors. Accordingly, if we rely on the exemptions, during the period we remain a controlled company and during any transition period following a time when we are no longer a controlled company, you would not have the same protections afforded to shareholders of companies that are subject to all of the corporate governance requirements of NASDAQ.

Risks Related to Doing Business in Hong Kong

It may be difficult for overseas shareholders and/or regulators to conduct investigations or collect evidence within the territory of China, including Hong Kong.

Shareholder claims or regulatory investigations that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism.

Our principal business operations are conducted in Hong Kong. In the event that the U.S. regulators carry out an investigation on us and there is a need to conduct such investigation, or collect evidence within, the territory of the PRC, the U.S. regulators may not be able to carry out such investigation or evidence collection directly in the PRC under the PRC laws. The U.S. regulators may, in the future, consider cross-border cooperation with a securities regulatory authority of the PRC by way of judicial assistance, diplomatic channels or regulatory cooperation mechanism established with the securities regulatory authority of the PRC. Additionally, our Hong Kong counsel, Bird & Bird, advised that the Securities and Futures Commission of Hong Kong (“SFC”) is a signatory to the International Organisation of Securities Commissions Multilateral Memorandum of Understanding (“MMOU”), which provides for mutual investigatory and other assistance and exchange of information between securities regulators around the world, including the SEC. This is also reflected in section 186 of the Securities and Futures Ordinance (“SFO”) which empowers the SFC to exercise its investigatory powers to obtain information and documents requested by non-Hong Kong regulators, and section 378 of the SFO which allows the SFC to share confidential information and documents in its possession with such regulators. However, there is no assurance that such cooperation will materialize, or if it does, whether it will adequately address any efforts to investigate or collect evidence to the extent that may be sought by U.S. regulators.

You may incur additional costs and procedural obstacles in effecting service of legal process, enforcing foreign judgments or bringing actions in Hong Kong against us or our management named in this annual report based on Hong Kong laws.

Currently, all of our operations are conducted outside the United States, and all of our assets are located outside the United States. All of our directors and officers are Hong Kong nationals or residents and a substantial portion of their assets are located in Hong Kong outside the United States. Foreign judgments of United States courts will not be directly enforced in Hong Kong, as there are currently no treaties or other arrangements providing for reciprocal enforcement of foreign judgments between Hong Kong and the United States. You may incur additional costs and procedural obstacles in effecting service of legal process, enforcing foreign judgments or bringing actions in Hong Kong against us or our management named in the annual report, as judgments entered in the United States can be enforced in Hong Kong only at common law. If you want to enforce a judgment of the United States in Hong Kong, it must be a final judgment conclusive upon the merits of the claim, for a liquidated amount in a civil matter and not in respect of taxes, fines, penalties, or similar charges, the proceedings in which the judgment was obtained were not contrary to natural justice, and the enforcement of the judgment is not contrary to public policy of Hong Kong. Such a judgment must be for a fixed sum and must also come from a “competent” court as determined by the private international law rules applied by the Hong Kong courts. For more information regarding the relevant laws of the British Virgin Islands and Hong Kong.

The enactment of Law of the PRC on Safeguarding National Security in the Hong Kong Special Administrative Region (the “Hong Kong National Security Law”) could impact our Operating Subsidiaries.

On June 30, 2020, the Standing Committee of the PRC National People’s Congress adopted the Hong Kong National Security Law. This law defines the duties and government bodies of the Hong Kong National Security Law for safeguarding national security and four categories of offences — secession, subversion, terrorist activities, and collusion with a foreign country or external elements to endanger national security — and their corresponding penalties. On July 14, 2020, the U.S. President Donald Trump signed the Hong Kong Autonomy Act, or HKAA, into law, authorizing the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong’s autonomy. On August 7, 2020 the U.S. government imposed HKAA-authorized sanctions on eleven individuals, including HKSAR chief executive Carrie Lam. On October 14, 2020, the U.S. State Department submitted to relevant committees of Congress the report required under HKAA, identifying persons materially contributing to “the failure of the Government of China to meet its obligations under the Joint Declaration or the Basic Law.” On March 16, 2021, the U.S. State Department submitted a report listing an additional 24 foreign persons determined to meet the HKAA criteria. This report is an update to the October 2020 and March 2021 reports, consistent with section 5(e) of the HKAA. The HKAA further authorizes secondary sanctions, including the imposition of blocking sanctions, against foreign financial institutions that knowingly conduct a significant transaction with foreign persons sanctioned under this authority. The imposition of sanctions may directly affect the foreign financial institutions as well as any third parties or customers dealing with any foreign financial institution that is targeted. It is difficult to predict the full impact of the Hong Kong National Security Law and HKAA on Hong Kong and companies located in Hong Kong. If the Operating Subsidiaries are determined to be in violation of the Hong Kong National Security Law or the HKAA by competent authorities, the business operations, our financial position and results of operations could be materially and adversely affected.

The enforcement of laws and rules and regulations in China can change quickly with little advance notice. Additionally, the PRC laws and regulations and the enforcement of such that apply or are to be applied to Hong Kong can change quickly with little or no advance notice. As a result, the Hong Kong legal system embodies uncertainties which could limit the availability of legal protections, which could result in a material change in our operations and/or the value of the securities we are registering for sale.

As one of the conditions for the handover of the sovereignty of Hong Kong to China, China accepted conditions such as Hong Kong's Basic Law. The Basic Law ensured Hong Kong will retain its own currency (the Hong Kong Dollar), legal system, parliamentary system and people's rights and freedom for fifty years from 1997. This agreement has given Hong Kong the freedom to function with a high degree of autonomy. Hong Kong is responsible for its own domestic affairs including, but not limited to, the judiciary and courts of last resort, immigration and customs, public finance, currencies and extradition. Hong Kong continues using the English common law system.

However, if the PRC attempts to alter its agreement to allow Hong Kong to function autonomously, this could potentially impact Hong Kong's common law legal system and may in turn bring about uncertainty in, for example, the enforcement of the contractual rights of our Operating Subsidiaries. This could, in turn, materially and adversely affect business and operations of our Operating Subsidiaries. Additionally, intellectual property rights and confidentiality protections in Hong Kong may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the Hong Kong legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the legal protections available to us, including the ability to enforce agreements with the customers.

The Hong Kong legal system embodies uncertainties which could limit the availability of legal protections.

As one of the conditions for the handover of the sovereignty of Hong Kong to China, China accepted conditions such as Hong Kong's Basic Law. The Basic Law ensured that capitalist system and way of life in Hong Kong shall remain unchanged for 50 years, and has given Hong Kong the freedom to function with a high degree of autonomy. Hong Kong is responsible for its own domestic affairs including, but not limited to, the judiciary and courts of last resort, immigration and customs, public finance, currencies and extradition. Hong Kong continues using the English common law system.

However, if the PRC attempts to alter its agreement to allow Hong Kong to function autonomously, this could potentially impact Hong Kong's common law legal system and may in turn bring about uncertainty in, for example, the enforcement of our contractual rights. This could, in turn, materially and adversely affect the business and operations of our Operating Subsidiaries. Additionally, intellectual property rights and confidentiality protections in Hong Kong may not be as effective as in the United States or other countries. Accordingly, we cannot predict the effect of future developments in the Hong Kong legal system, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the legal protections available to our Operating Subsidiaries, including their ability to enforce agreements with our customers.

There are some political risks associated with conducting business in Hong Kong.

The operations of the Operating Subsidiaries are principally based in Hong Kong. Accordingly, the business operations of the Operating Subsidiaries and financial conditions will be affected by the political and legal developments in Hong Kong. During the period covered by the financial information incorporated by reference into and included in this annual report, we derive all of our revenue from operations in Hong Kong and, specifically, from our Operating Subsidiaries. Any adverse economic, social and/or political conditions, material social unrest, strike, riot, civil disturbance or disobedience, as well as significant natural disasters, may affect the market and may adversely affect the business operations of our Operating Subsidiaries. Hong Kong is a special administrative region of the PRC and the basic policies of the PRC regarding Hong Kong are reflected in the Basic Law, namely, Hong Kong's constitutional document, which provides Hong Kong with a high degree of autonomy and executive, legislative and independent judicial powers, including that of final adjudication under the principle of "one country, two systems". However, there is no assurance that there will not be any changes in the economic, political and legal environment in Hong Kong in the future. Since all of our operations are based in Hong Kong, any change of such political arrangements may pose an immediate threat to the stability of the economy in Hong Kong, thereby directly and adversely affecting our results of operations and financial positions.

The Hong Kong protests that began in 2019 are ongoing and were triggered by the introduction of the Fugitive Offenders amendment bill by the Hong Kong government. If enacted, the bill would have allowed the extradition of criminal fugitives who are wanted in territories with which Hong Kong does not currently have extradition agreements, including mainland China. This led to concerns that the bill would subject Hong Kong residents and visitors to the jurisdiction and legal system of mainland China, thereby undermining the region's autonomy and people's civil liberties. Various sectors of the Hong Kong economy have been adversely affected as the protests turned increasingly violent. Most notably, the airline, retail, and real estate sectors have seen their sales decline.

Under the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China, Hong Kong is exclusively in charge of its internal affairs and external relations, while the government of the PRC is responsible for its foreign affairs and defense. As a separate customs territory, Hong Kong maintains and develops relations with foreign states and regions. Based on certain recent development including the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region issued by the Standing Committee of the PRC National People's Congress in June 2020, the U.S. State Department has indicated that the United States no longer considers Hong Kong to have significant autonomy from China and President Trump signed an executive order and Hong Kong Autonomy Act, or HKAA, to remove Hong Kong's preferential trade status and to authorize the U.S. administration to impose blocking sanctions against individuals and entities who are determined to have materially contributed to the erosion of Hong Kong's autonomy. The United States may impose the same tariffs and other trade restrictions on exports from Hong Kong that it places on goods from mainland China. These and other recent actions may represent an escalation in political and trade tensions involving the U.S., China and Hong Kong, which could potentially harm our business.

Our revenue is susceptible to the ongoing incidents or factors which affect the stability of the social, economic and political conditions in Hong Kong. Any drastic events may adversely affect the business operations of our Operating Subsidiaries. Such adverse events may include changes in economic conditions and regulatory environment, social and/or political conditions, civil disturbance or disobedience, as well as significant natural disasters. Given the relatively small geographical size of Hong Kong, any of such incidents may have a widespread effect on the business operations of our Operating Subsidiaries, which could in turn adversely and materially affect our business, our results of operations and financial condition. It is difficult to predict the full impact of the HKAA on Hong Kong and companies with operations in Hong Kong like us. Furthermore, legislative or administrative actions in respect of China-U.S. relations could cause investor uncertainty for affected issuers, including us, and the market price of our Class A Ordinary Shares could be adversely affected.

Risks Related to Business and Industry

The market in which the Operating Subsidiaries operate is competitive.

The financial technology industry in Hong Kong and Asia is competitive and fragmented. With the rise of electronic trading in recent years, the industry has attracted the presence of both Hong Kong-based and international companies.

The market for financial trading solutions is still at its emerging stage, and we believe that it will continue to grow in the coming years. The prospect and potential of this market is expected to attract entry by companies with substantial capital and resources. Mergers and acquisitions of enterprises and consolidation of the industries may become a trend in the market. The environment in which our subsidiaries operate will likely become more competitive as a result. The competitors of our subsidiaries may offer similar financial trading solutions and services at prices lower than those of our subsidiaries. There is no guarantee that the projects undertaken and services provided by our subsidiaries in the future will allow our subsidiaries to maintain their present profit margins, and a competitive environment may adversely affect our profitability.

The success of the Operating Subsidiaries is dependent on the financial and brokerage industry and its market participants. Any market consolidation may adversely affect our Operating Subsidiaries' business development and financial performance.

The Operating Subsidiaries provide financial trading solutions primarily to market participants in the financial and brokerage industry. It is observed that the financial and brokerage industry is characterized by intensive competition. Intensive competition in the financial and brokerage industry will inevitably affect the profit margins of market participants and may consequently affect such participants' willingness to invest in new technologies or to expand their current usage of existing technologies. This may adversely affect our business development. Traditional small to medium sized brokerage firms may face competition from larger brokers that have more capital, resources or experience. The possible emergence of consolidation of the global brokerage industry may lead to reduction in the number of the players in the industry. If the number of our potential and existing customers or their size of operations decrease, our existing business and future growth potential may be adversely affected.

The Operating Subsidiaries operate in dynamic industries, which make it difficult to evaluate the future prospects.

In general, the financial technology industry is dynamic. The industries in which we operate, including those providing and maintaining financial trading solutions, mobile and desktop trading applications and financial value-added services, are all highly dynamic and may not develop as expected. Our customers may not fully understand the value of our solutions and potential new customers may have difficulty distinguishing our solutions from those of our competitors. If we fail to convince our customers of the value of our solutions, the markets for our solutions do not continue to develop as we expect or we fail to address the needs of these dynamic, evolving industries, our Operating Subsidiaries' business may be materially and adversely affected.

Our financial performance and business outlook are significantly affected by the volatility of the financial markets in which we and the Operating Subsidiaries have no control.

The target customers of the Operating Subsidiaries include financial brokers and institutions mainly located in Asia, whose demand for financial trading solutions is dependent upon their business operations and expansion needs, which, to a large extent, are dependent upon the performance of the global financial markets as a whole. The global financial markets are directly affected by, among others, the global and local political and economic environments.

Any sudden downturn in the global economic and political environments, which are beyond the control of our Operating Subsidiaries, may adversely affect the financial market sentiment in general. Severe fluctuation in market and economic sentiments may also result in a prolonged period of sluggish market activities, which would in turn have an adverse impact on the business and operating performance of our target customers, and hence, their demand for our financial trading solutions. As such, our revenue and the profitability of our Company and the Operating Subsidiaries may fluctuate and there is no assurance that we will be able to maintain our historical results in times of difficult or unstable economic conditions. Our historical profit levels should not be relied solely upon as an indication of our future financial performance.

Our trading in foreign currencies is significantly affected by the volatility of the financial and currency market in which we and the Operating Subsidiaries have no control. Any sudden volatility in the financial and currency market in the future may adversely affect the performance of our trading in foreign currencies and lead to realized and unrealized loss.

For the years ended December 31, 2022, 2023 and 2024, we had realized loss on disposal of financial assets at fair value and change in fair value on financial assets at fair value in the aggregate amounts of HK\$1,157,650, HK\$9,965 and HK\$ nil, respectively, from trading in foreign currencies, at fair value, with the intention to optimize a trading algorithm based on live market interactions. The change in fair value on financial assets at fair value was mainly due to the increased volatility of the financial and currency market in 2022 and 2023.

While we did not initiate any trades of foreign currencies during the fiscal year ended December 31, 2024 to minimize the risk of volatility of foreign currencies in the financial and currency market, we may continue trading in foreign currencies in the future to further optimize our trading algorithm through live trading in the real foreign exchange market. If we do, any sudden volatility in the financial and currency market, which are beyond the control of our Operating Subsidiaries, may adversely affect the performance of our trading in foreign currencies and lead to realized and unrealized loss.

Unauthorized use of the Operating Subsidiaries' intellectual property by third parties and expenses incurred in protecting their intellectual property rights may adversely affect their business, reputation and competitive edge.

We regard the Operating Subsidiaries' intellectual property, including their domain names, as important to their success, and they rely on a combination of intellectual property laws, subscriptions and contractual arrangements with software providers to protect their proprietary rights.

The Operating Subsidiaries have filed various applications in Hong Kong and mainland China for protection of certain aspects of their intellectual property, including multiple trademarks. Nevertheless, we can provide no assurance that they will be able to have all applications registered. If the Operating Subsidiaries fail to register their trademarks, they may not be able to use such intellectual property without risk of infringement and, even if they can use them, they may have difficulty in enforcing such intellectual property rights against infringement by third parties, and this could have a material adverse impact on their business, financial conditions, and operating results.

Despite these measures, any of the Operating Subsidiaries' intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently. Accordingly, the Operating Subsidiaries may not be able to effectively protect their intellectual property rights or to enforce their contractual rights in all jurisdictions.

Preventing any unauthorized use of the Operating Subsidiaries' intellectual property is difficult and costly and the steps it takes may be inadequate to prevent the misappropriation of their intellectual property. In the event that they must resort to litigation to enforce their intellectual property rights, such litigation could result in substantial costs and a diversion of their managerial and financial resources. We can provide no assurance that the Operating Subsidiaries will prevail in any such litigation. In particular, m-FINANCE has nine trademarks registered in mainland China, but without having physical operations in mainland China, it may have limited ability to timely respond or enforce its intellectual property rights, in the event of any infringement in mainland China.

In addition, the Operating Subsidiaries' trade secrets may be leaked or otherwise become available to, or be independently discovered by, their competitors. Any failure in protecting or enforcing their intellectual property rights could have a material adverse effect on their business, reputation and competitive edge.

Changes in U.S. and international trade policies, particularly with regard to China, may adversely impact the Operating Subsidiaries' business and operating results.

The U.S. government has recently made statements and taken certain actions that may lead to potential changes to U.S. and international trade policies, including recently-imposed tariffs affecting certain products manufactured in China. It is unknown whether and to what extent new tariffs (or other new laws or regulations) will be adopted, or the effect that any such actions would have on the Operating Subsidiaries or their industry and customers. While, as of the date of this annual report, the Operating Subsidiaries currently have less than 10% of their total customers in mainland China, we cannot assure that any unfavorable government policies on international trade, such as capital controls or tariffs, will not affect the demand for the Operating Subsidiaries' services and solutions, impact the competitive position of the Operating Subsidiaries' services and solutions or prevent the Operating Subsidiaries from being able to provide its services and solutions in certain countries. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U.S. government takes retaliatory trade actions due to the recent U.S.-China trade tension, such changes may have an adverse effect on the Operating Subsidiaries' business, financial condition, and results of operations.

Risks Related to Our Class A Ordinary Shares and the Trading Market

Our Class A Ordinary Shares may be prohibited from being traded on a national exchange under the HFCA Act if the PCAOB determines that it cannot inspect or fully investigate our auditors for two consecutive years, beginning in 2022, and, as a result, an exchange may determine to delist our securities. The delisting of our Class A Ordinary Shares, or the threat of being delisted, may materially and adversely affect the value of your investment.

The HFCA Act, was enacted on December 18, 2020. The HFCA Act states if the SEC determines that a company has filed audit reports issued by a registered public accounting firm that has not been subject to inspection by the PCAOB for three consecutive years beginning in 2021, the SEC shall prohibit such company's securities from being traded on a national securities exchange or in the over-the-counter trading market in the U.S.

On March 24, 2021, the SEC adopted interim final rules relating to the implementation of certain disclosure and documentation requirements of the HFCA Act. A company will be required to comply with these rules if the SEC identifies it as having a "non-inspection" year under a process to be subsequently established by the SEC. The SEC is assessing how to implement other requirements of the HFCA Act, including the listing and trading prohibition requirements described above.

On December 2, 2021, the SEC adopted amendments to finalize rules implementing the submission and disclosure requirements in the HFCA Act. The rules apply to registrants that the SEC identifies as having filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that PCAOB is unable to inspect or investigate completely because of a position taken by an authority in foreign jurisdictions.

On December 16, 2021, the PCAOB has issued its report notifying the SEC of its determination that it is unable to inspect or investigate completely accounting firms headquartered in mainland China or Hong Kong. Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards on a regular basis. However, we cannot assure you that NASDAQ or other regulatory authorities would not apply additional or more stringent criteria to us after considering the effectiveness of our auditor's audit procedures and quality control procedures, adequacy of personnel and training, or sufficiency of resources, geographic reach or experience as it relates to the audit of our financial statements. On August 26, 2022, the PCAOB signed the SOP Agreement with the CSRC and China's Ministry of Finance. The SOP Agreement established a specific, accountable framework to make possible complete inspections and investigations by the PCAOB of audit firms based in mainland China and Hong Kong, as required under U.S. law.

On December 15, 2022, the PCAOB Board determined that the PCAOB was able to secure complete access to inspect and investigate registered public accounting firms headquartered in mainland China and Hong Kong and voted to vacate its previous determinations to the contrary. However, should PRC authorities obstruct or otherwise fail to facilitate the PCAOB's access in the future, the PCAOB Board will consider the need to issue a new determination.

On December 29, 2022, the Consolidated Appropriations Act, was signed into law by former President Biden. The Consolidated Appropriations Act contained, among other things, an identical provision to the Accelerating HFCA Act, which reduces the number of consecutive non-inspection years required for foreign companies to comply with PCAOB audits under the HFCA Act from what was originally three years to two, thus reducing the time period before their securities may be prohibited from trading or delisted.

If, as a consequence, our Class A Ordinary Shares are unable to be listed on another securities exchange, such a delisting would substantially impair your ability to sell or purchase our Class A Ordinary Shares when you wish to do so, and the risk and uncertainty associated with a potential delisting would have a negative impact on the price of our Class A Ordinary Shares.

The recent joint statement by the SEC and proposed rule changes submitted by NASDAQ, all call for additional and more stringent criteria to be applied to emerging market companies. These developments could add uncertainties to our business operations, share price and reputation.

U.S. public companies that have substantially all of their operations in China (including in Hong Kong) have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the SEC. Much of this negative attention has centered on financial and accounting irregularities and mistakes, a lack of effective internal controls over financial accounting, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud.

On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. On April 21, 2020, SEC Chairman Jay Clayton and PCAOB Chairman, William D. Duhnke III, along with other senior SEC staff, released a joint statement highlighting the risks associated with investing in companies based in or have substantial operations in emerging markets including China, reiterating past SEC and PCAOB statements on matters including the difficulty associated with inspecting accounting firms and audit work papers in China and higher risks of fraud in emerging markets and the difficulty of bringing and enforcing SEC, Department of Justice and other U.S. regulatory actions, including in instances of fraud, in emerging markets generally.

On May 21, 2021, NASDAQ filed three proposals with the SEC to (i) apply minimum offering size requirement for companies primarily operating in a "Restrictive Market", (ii) prohibit Restrictive Market companies from directly listing on NASDAQ Capital Market, and only permit them to list on NASDAQ Global Select or NASDAQ Global Market in connection with a direct listing and (iii) apply additional and more stringent criteria to an applicant or listed company based on the qualifications of the company's auditors.

As a result of such scrutiny, criticism and negative publicity, the publicly traded stock of many U.S. listed Chinese companies sharply decreased in value and, in some cases, has become virtually worthless. Many of these companies are now subject to shareholder lawsuits and SEC enforcement actions and are conducting internal and external investigations into the allegations. It is not clear what effect this sector-wide scrutiny, criticism and negative publicity will have on us, our business and our share price. If we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we will have to expend significant resources to investigate such allegations and/or defend our Company. This situation will be costly and time consuming and distract our management from developing our growth. If such allegations are not proven to be groundless, we and our Operating Subsidiaries' business operations will be severely affected and you could sustain a significant decline in the value of our Ordinary Share.

NASDAQ may apply additional and more stringent criteria for our continued listing because our insiders hold a large portion of our listed securities.

NASDAQ Listing Rule 5101 provides NASDAQ with broad discretionary authority over, among other things, the continued listing of securities on NASDAQ, and NASDAQ may use such discretion to apply additional or more stringent criteria for continued listing of particular securities, or suspend or delist particular securities based on any event, condition, or circumstance that exists or occurs that makes continued listing of the securities on NASDAQ inadvisable or unwarranted in the opinion of NASDAQ, even though the securities may meet all enumerated criteria for continued listing on NASDAQ. In addition, NASDAQ may use its discretion to deny continued listing or to apply additional and more stringent criteria including, but not limited to: where the company engaged an auditor that has not been subject to an inspection by PCAOB, an auditor that PCAOB cannot inspect, or an auditor that has not demonstrated sufficient resources, geographic reach, or experience to adequately perform the company's audit. Our IPO was relatively small. As of the date of this annual report, there is not more than 35% of the total issued capital in public hands, and the insiders of our Company hold a large portion of the Company's listed securities. Therefore, we may be subject to the additional and more stringent criteria of NASDAQ for our continued listing.

We do not intend to pay further dividends in the foreseeable future.

We currently intend to retain all remaining funds and future earnings, if any, for the operations and expansion of the business of the Operating Subsidiaries and do not anticipate declaring or paying any further dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, contractual requirements, business prospects and other factors the board of directors deems relevant, and will be subject to the restrictions contained in any future financing instruments.

If securities or industry analysts do not publish research or reports about our Operating Subsidiaries' business, or if they publish a negative report regarding our Class A Ordinary Shares, the price of our Class A Ordinary Shares and trading volume could decline.

The trading market for our Class A Ordinary Shares may depend in part on the research and reports that industry or securities analysts publish about us or the Operating Subsidiaries business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrades us, the price of our Class A Ordinary Shares would likely decline. If one or more of these analysts ceases coverage of our Company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause the price of our Class A Ordinary Shares and the trading volume to decline.

The market price for our Class A Ordinary Shares may be volatile.

The market price for our Class A Ordinary Shares may be volatile and subject to wide fluctuations due to factors, such as:

- the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections;
- actual or anticipated fluctuations in our quarterly operating results;
- changes in financial estimates by securities research analysts;
- negative publicity, studies or reports;

- our capability to catch up with the technology innovations in the industry, and maintain such technological innovations, once attained;
- announcements by us or our competitors of acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- fluctuations of exchange rates between the Hong Kong dollar and the U.S. dollar; and
- general economic or political conditions in Hong Kong, the PRC and greater Asia region.

In addition, the securities market has from time to time experienced significant price and volume fluctuations that are not related to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of our Class A Ordinary Shares.

The dual-class structure of our Ordinary Shares has the effect of concentrating voting control with our chairman and our chief executive officer, and their interests may not be aligned with the interests of our other shareholders.

We have a dual-class voting structure consisting of Class A Ordinary Shares and Class B Ordinary Shares. Under this structure, holders of Class A Ordinary Shares are entitled to one vote per one Class A Ordinary Share, and holders of Class B Ordinary Shares are entitled to 20 votes per one Class B Ordinary Share, which may cause the holders of Class B Ordinary Shares to have an unbalanced, higher concentration of voting power. As of the date of this annual report, Mr. Chi Weng Tam, our executive director and chief executive officer, and Mr. Tai Wai (Stephen) Lam, our chairman of the Board and executive director, beneficially, collectively, own 9,046,892, or 100%, of our issued Class B Ordinary Shares, representing approximately 97.73% of the voting rights in our Company. As a result, until such time as Mr. Chi Weng Tam's and Mr. Tai Wai (Stephen) Lam's voting power is below 50%, Mr. Chi Weng Tam and Mr. Tai Wai (Stephen) Lam as the controlling shareholders have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors, and other significant corporate actions. They may take actions that are not in the best interests of us or our other shareholders. These corporate actions may be taken even if they are opposed by our other shareholders. Further, such concentration of voting power may discourage, prevent, or delay the consummation of change of control transactions that shareholders may consider favorable, including transactions in which shareholders might otherwise receive a premium for their shares. Future issuances of Class B Ordinary Shares may also be dilutive to the holders of Class A Ordinary Shares. As a result, the market price of our Class A Ordinary Shares could be adversely affected.

The dual-class structure of our Ordinary Shares may adversely affect the trading market for our Class A Ordinary Shares.

Several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual-class structure of our Ordinary Shares may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A Ordinary Shares.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under British Virgin Islands law.

We are a company incorporated under the laws of the British Virgin Islands. Our corporate affairs are governed by our Memorandum and Articles, the BVI Act and the common law of the British Virgin Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under the British Virgin Islands law are to a large extent governed by the common law of the British Virgin Islands. The common law of the British Virgin Islands is derived in part from comparatively limited judicial precedent in the British Virgin Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the British Virgin Islands. The rights of our shareholders and the fiduciary duties of our directors under the British Virgin Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States. In particular, the British Virgin Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the British Virgin Islands. In addition, the shareholders of British Virgin Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States.

Certain corporate governance practices in the British Virgin Islands differ significantly from requirements for companies incorporated in other jurisdictions such as the United States. We can rely on home country practice with respect to our corporate governance. If we choose to follow the British Virgin Islands' practice in the future, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers. See “— D. Risk Factors — Risks Related to Our Class A Ordinary Shares and the Trading Market — *As a foreign private issuer, we are permitted to rely on exemptions from certain NASDAQ Stock Exchange corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our Class A Ordinary Shares.*”

As a result of the foregoing, public shareholders may have more difficulties in protecting their interests in the face of actions taken by our management, or members of our board of directors than they would as public shareholders of a company incorporated in the United States.

Since Mr. Chi Weng Tam, our executive director and chief executive officer, and Mr. Tai Wai (Stephen) Lam, our chairman of the Board and executive director, are able to exercise more than 97% of the total voting power of our issued and outstanding share capital, Mr. Tam and Mr. Lam will have the ability to elect directors and approve matters requiring shareholder approval.

Mr. Chi Weng Tam, our executive director and chief executive officer, and Mr. Tai Wai (Stephen) Lam, our chairman of the Board and executive director, are currently, collectively, the beneficial owners of 9,046,892 Class B Ordinary Shares, or approximately 97.73% of the voting rights in our Company, which are directly held by Gaderway Investments Limited, a British Virgin Islands company approximately 61.54% owned by Mr. Tai Wai (Stephen) Lam and approximately 38.46% owned by Mr. Chi Weng Tam, each of whom is a director of Gaderway Investments Limited. As a result, Mr. Tam and Mr. Lam are able to exert significant voting influence over fundamental and significant corporate matters and transactions. Depending on the percentage, they may have the power to elect all directors and approve all matters requiring shareholder approval without the votes of any other shareholder. They have significant influence over a decision to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of shareholders, regardless of whether or not our other shareholders believe that such transaction is in our best interests. Such concentration of voting power could have the effect of delaying, deterring, or preventing a change of control or other business combination, which could, in turn, have an adverse effect on the market price of our Class A Ordinary Shares or prevent our shareholders from realizing a premium over the then-prevailing market price for their Class A Ordinary Shares.

We are a “controlled company” within the meaning of the NASDAQ Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

We are a “controlled company” as defined under the NASDAQ Stock Market Rules, because two of our principal shareholders, Mr. Chi Weng Tam, our executive director and chief executive officer, and Mr. Tai Wai (Stephen) Lam, our chairman of the Board and executive director, beneficially own more than 50% of voting power for the election of directors. For so long as we are a controlled company under such rules, we are permitted to elect to rely, and may rely, on certain exemptions from corporate governance rules, including:

- an exemption from the rule that a majority of our board of directors must be independent directors;
- an exemption from the rule that the compensation of our chief executive officer must be determined or recommended solely by independent directors; and
- an exemption from the rule that our director nominees must be selected or recommended solely by independent directors.

As a result, you may not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

As a foreign private issuer, we are permitted to rely on exemptions from certain NASDAQ Stock Exchange corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our Class A Ordinary Shares.

We are exempted from certain corporate governance requirements of the NASDAQ listing rules by virtue of being a foreign private issuer. We are required to provide a brief description of the significant differences between our corporate governance practices and the corporate governance practices required to be followed by domestic U.S. companies listed on NASDAQ. The standards applicable to us are considerably different than the standards applied to domestic U.S. issuers. For instance, we are not required to:

- have a majority of the governing board be independent (although all of the members of the audit committee must be independent under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act);

- have a compensation committee or a nominating or corporate governance committee consisting entirely of independent directors;
- have regularly scheduled executive sessions with only independent directors; or
- have executive sessions of solely independent directors each year.

We have complied with and intend to continue to comply with the above corporate governance requirements of the NASDAQ listing rules. However, we may consider following home country practice in lieu of the requirements under the NASDAQ listing rules with respect to certain corporate governance standards, by which, as a result, you may not be provided with the benefits of certain corporate governance requirements of NASDAQ.

If we cease to qualify as a foreign private issuer, we would be required to comply fully with the reporting requirements of the Exchange Act applicable to U.S. domestic issuers, and we would incur significant additional legal, accounting and other expenses that we would not incur as a foreign private issuer.

We are qualified as a foreign private issuer. As a foreign private issuer, we are exempt from the rules under the Exchange Act prescribing the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as United States domestic issuers, and we will not be required to disclose in our periodic reports all of the information that United States domestic issuers are required to disclose. While we currently expect to qualify as a foreign private issuer, we may cease to qualify as a foreign private issuer in the future.

If we cannot continue to satisfy the continued listing requirements and other rules of NASDAQ Capital Market, although we are exempt from certain corporate governance standards applicable to U.S. issuers as a Foreign Private Issuer, our Class A Ordinary Shares may be delisted, which could negatively impact the price of our Class A Ordinary Shares and the shareholders' ability to sell them.

In order to maintain our listing on the NASDAQ Capital Market, we are required to comply with certain rules of the NASDAQ Capital Market, including those regarding minimum shareholders' equity, minimum share price and certain corporate governance requirements. Even though we have fulfilled the listing requirements and other applicable rules of the NASDAQ Capital Market, we may not be able to continue to satisfy these requirements and applicable rules. If we are unable to satisfy the NASDAQ Capital Market criteria for maintaining our listing, our Class A Ordinary Shares could be subject to delisting.

If the NASDAQ Capital Market delists our Class A Ordinary Shares from trading, we could face significant consequences, including:

- a limited availability for market quotations for our Class A Ordinary Shares;
- reduced liquidity with respect to our Class A Ordinary Shares;
- a determination that our Ordinary Share is a "penny stock," which will require brokers trading in our Ordinary Share to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our Ordinary Share;
- limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

Because our Operating Subsidiaries' business is conducted in Hong Kong dollars and the price of our Class A Ordinary Shares is quoted in United States dollars, changes in currency conversion rates may affect the value of your investments.

Substantially all of our Operating Subsidiaries' business is conducted in Hong Kong (with less than 10% of their total customers clients in mainland China), our books and records are maintained in Hong Kong dollars, which is the currency of Hong Kong, and the financial statements that we file with the SEC and provide to our shareholders are presented in United States dollars. Changes in the exchange rate between the Hong Kong dollar and U.S. dollar affect the value of our assets and the results of our operations in United States dollars. The value of the Hong Kong dollar against the United States dollar and other currencies may fluctuate and is affected by, among other things, changes in the Hong Kong's political and economic conditions and perceived changes in the economy of Hong Kong and the United States. Any significant revaluation of the Hong Kong dollar may materially and adversely affect our cash flows, revenue and financial condition.

Volatility in our Class A Ordinary Shares price may subject us to securities litigation.

The market for our Class A Ordinary Shares may have, when compared to seasoned issuers, significant price volatility and we expect that our share price may continue to be more volatile than that of a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may, in the future, be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention and resources.

We have broad discretion in the use of the net proceeds from the IPO and may not use them effectively.

Our management has broad discretion in the application of the net proceeds, including for any of the purposes described in "Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS — Use of Proceeds," and our shareholders do not have the opportunity as part of their investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from the IPO, their ultimate use may vary substantially from their currently intended use. The failure of our management to apply these funds effectively could harm the business of our Operating Subsidiaries.

There can be no assurance that we will not be deemed a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for any taxable year, which could result in adverse U.S. federal income tax consequences to U.S. holders of our Class A Ordinary Shares.

A non-U.S. corporation will be a PFIC for any taxable year if either (1) at least 75% of its gross income for such year consists of certain types of "passive" income; or (2) at least 50% of the value of its assets (based on an average of the quarterly values of the assets) during such year is attributable to assets that produce passive income or are held for the production of passive income, or the asset test. Based on our current and expected income and assets, we do not presently expect to be a PFIC for the current taxable year or the foreseeable future. However, no assurance can be given in this regard because the determination of whether we are or will become a PFIC is a fact-intensive inquiry made on an annual basis that depends, in part, upon the composition of our income and assets. In addition, there can be no assurance that the Internal Revenue Service, or IRS, will agree with our conclusion or that the IRS would not successfully challenge our position. Fluctuations in the market price of our Class A Ordinary Shares may cause us to become a PFIC for the current or subsequent taxable years because the value of our assets for the purpose of the asset test may be determined by reference to the market price of our Class A Ordinary Shares. The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in our IPO. If we were to be or become a PFIC for any taxable year during which a U.S. Holder holds our Class A Ordinary Shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder and such U.S. Holder may be subject to additional reporting requirements. For a more detailed discussion of the application of the PFIC rules to us and the consequences to U.S. taxpayers if we were or are determined to be a PFIC, see "Item 10. Additional Information—E. Taxation—United States Federal Income Taxation—PFIC."

Our lack of effective internal controls over financial reporting may affect our ability to accurately report our financial results or prevent fraud, which may affect the market for and price of our Ordinary Share.

To implement Section 404 of the Sarbanes-Oxley Act of 2002, the SEC adopted rules requiring public companies to include a report of management on the company's internal control over financial reporting. Prior to the closing of our IPO in April 2024, we were a private company with limited accounting personnel and other resources for addressing our internal control over financial reporting. Our management has not completed an assessment of the effectiveness of our internal control over financial reporting and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. However, in connection with the audits of our consolidated financial statements as of December 31, 2022 and 2023, we and our former independent registered public accounting firm, Marcum Asia, identified certain material weaknesses in our internal control over financial reporting, as defined in the standards established by the PCAOB. In connection with the audits of our consolidated financial statements as of December 31, 2024, we identified certain material weaknesses in our internal control over financial reporting, as defined in the standards established by the PCAOB. Specifically, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses identified related to (1) our lack of sufficient full-time personnel with appropriate levels of accounting knowledge and experience to monitor the daily recording of transactions, address complex U.S. GAAP accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP; (2) our lack of a functional internal audit department or personnel that monitors the consistencies of the preventive internal control procedures as well as adequate policies and procedures in internal audit function to ensure that our policies and procedures have been carried out as planned; and (3) inadequate segregation of duties for certain key functions due to limited staff and resources.

Our management has implemented and is currently taking the steps necessary to remediate the underlying causes of these material weaknesses, including (i) conducting regular and continuous U.S. GAAP training programs and webinars for our financial reporting and accounting personnel; ii) established three committees under the board of directors: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee (see "Item 6- DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES for details"; iii) actively hiring more qualified staff to fill up the key roles in the operations; and iv) setting up a financial and system control framework with formal documentation of policies and controls in place. However, we cannot assure you that these measures may fully address the material weakness in our internal control over financial reporting or that we may not identify additional material weaknesses or significant deficiencies in the future.

We are subject to the requirement that we maintain internal controls and that management perform periodic evaluation of the effectiveness of the internal controls. Effective internal control over financial reporting is important to prevent fraud. As a result, our business, our financial condition, results of operations and prospects, as well as the market for and trading price of our Class A Ordinary Shares, may be materially and adversely affected if we do not have effective internal controls. Before the IPO, we were a private company with limited resources. As a result, we may not discover any problems in a timely manner and current and potential shareholders could lose confidence in our financial reporting, which would harm the business of the Operating Subsidiaries and the trading price of our Class A Ordinary Shares. The absence of internal controls over financial reporting may inhibit investors from purchasing our Class A Ordinary Shares and may make it more difficult for us to raise funds in a debt or equity financing.

Additional material weaknesses or significant deficiencies may be identified in the future. If we identify such issues or if we are unable to produce accurate and timely financial statements, our Ordinary Share price may decline and we may be unable to maintain compliance with the NASDAQ Listing Rules.

The price of our Class A Ordinary Shares could be subject to rapid and substantial volatility, and such volatility may make it difficult for prospective investors to assess the rapidly changing value of our Class A Ordinary Shares.

There have been instances of extreme stock price run-ups followed by rapid price declines and strong stock price volatility with recent initial public offerings, especially among those with relatively smaller public floats. As a relatively small-capitalization company with relatively small public float, we may experience greater stock price volatility, extreme price run-ups, lower trading volume and less liquidity than large-capitalization companies. In particular, our Class A Ordinary Shares may be subject to rapid and substantial price volatility, low volumes of trades and large spreads in bid and ask prices. Such volatility, including any stock-run up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Class A Ordinary Shares.

In addition, if the trading volumes of our Class A Ordinary Shares are low, persons buying or selling in relatively small quantities may easily influence prices of our Class A Ordinary Shares. This low volume of trades could also cause the price of our Class A Ordinary Shares to fluctuate greatly, with large percentage changes in price occurring in any trading day session. Holders of our Class A Ordinary Shares may also not be able to readily liquidate their investment or may be forced to sell at depressed prices due to low volume trading. Broad market fluctuations and general economic and political conditions may also adversely affect the market price of our Class A Ordinary Shares. As a result of this volatility, investors may experience losses on their investment in our Class A Ordinary Shares. A decline in the market price of our Class A Ordinary Shares also could adversely affect our ability to issue additional shares of Class A Ordinary Shares and our ability to obtain additional financing in the future. No assurance can be given that an active market in our Class A Ordinary Shares will develop or be sustained. If an active market does not develop, holders of our Class A Ordinary Shares may be unable to readily sell the shares they hold or may not be able to sell their shares at all.

Item 4. INFORMATION ON THE COMPANY

A. History and Development of the Company

For the history and development of the Company, please refer to “Item 3. Key Information—Our Corporate History.” On April 22, 2024, our Ordinary Shares commenced trading on the Nasdaq Capital Market under the symbol “MFI.” On April 24, 2024, we closed our initial public offering. We raised US\$7.5 million in gross proceeds from our initial public offering, before deducting underwriting discounts and other related expenses.

On September 6, 2024, our shareholders approved the re-designation and re-classification of the Ordinary Shares beneficially held by Gaderway Investments Limited into 9,046,892 Class B Ordinary Shares, each with 20 votes per share, and the Ordinary Shares held by other shareholders into 4,204,775 Class A Ordinary Shares, each with one vote per share, on a one for one basis.

Corporate Information

Our principal executive offices are located at Unit 1801, Fortis Tower, 77-79 Gloucester Road, Wan Chai, Hong Kong, and our telephone number is (+852) 3426-6200. Our registered office in the British Virgin Islands is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, BVI. We maintain a website at <https://www.m-finance.com>. The information contained on our website is not a part of this annual report. Our agent for service of process in the United States is Cogency Global Inc., 122 East 42nd Street, 18th Floor, New York, NY 10168.

The SEC maintains a website at www.sec.gov that contains reports, proxy, and information statements, and other information regarding issuers that file electronically with the SEC using its EDGAR system.

For information regarding our principal capital expenditures, see “Item 5. Operating and Financial Review and Prospects — B. Liquidity and Capital Resources — Capital Expenditures.”

B. Business Overview

Overview

We are a holding company incorporated in the British Virgin Islands, and all of our operations are carried out by three Operating Subsidiaries in Hong Kong. Our principal Hong Kong subsidiary, m-FINANCE, established in 2002, is a Hong Kong-based experienced financial trading solution provider principally engaged in the development and provision of financial trading solutions. m-FINANCE has approximately 20 years of experience in providing real-time mission critical forex, bullion/commodities trading platform solutions, financial value-added services, mobile applications and financial information for brokers and institutional clients via internet or platform as software as a service. m-FINANCE has provided a wide range of top-notch services, including mF4 Trading Platform, Trader Pro, Bridge and Plugins, CRM System, ECN System, Liquidity Solutions, Cross-platform “Broker+” Solution, Social Trading Applications and other value-added services.

m-FINANCE has been committed to providing an advanced trading platform and innovative one-stop trading solution that fits for the Asian market, with clients located over mainland China, Hong Kong and Southeast Asia. m-FINANCE’s customers are mainly financial institutions, including brokers, investment banks, institutional clients and financial services providers. As of the date of this annual report, m-FINANCE’s trading platform is handling a monthly average transaction value of over US\$100 billion.

Revenues are primarily generated from the operations of the Operating Subsidiaries providing trading platform solutions and financial value-added services via internet or platform as software as a service. For the years ended December 31, 2022, 2023 and 2024, our total revenue was approximately HK\$34,931,827, HK\$31,961,177, and HK\$26,085,318 (US\$3,358,178), respectively. Our gross profit and net income were HK\$18,419,125 and HK\$6,818,599, respectively, for the year ended December 31, 2022. Our gross profit and net income were HK\$17,965,507 and HK\$6,628,881, respectively, for the year ended December 31, 2023. Our gross profit and net loss were HK\$12,302,194 (US\$1,583,763) and HK\$20,210,992 (US\$2,601,926), respectively, for the year ended December 31, 2024.

Business Strategy

Unique I-A-D-T philosophy

m-FINANCE's business strategy originates from its experienced management team and unique company philosophy, I-A-D-T, which is designed to support trading with a rational and systematic process:

- **(I)nformation:** Gathering raw market information, including market indicators, price and publicly available news.
- **(A)nalysis:** Analyzing the collected information aims to identify the latest market trends and potential movements.
- **(D)ecision:** Formulating trading strategies and make investment decision based on risk appetite and market situation.
- **(T)ransaction:** Executing the transactions through a stable, efficient and secure trading platform.

I-A-D-T defines the framework of m-FINANCE's services and m-FINANCE is committed to integrating this company philosophy into the design of financial trading solutions. In the past two decades, m-FINANCE has implemented solutions designed to assist its customers in building profitable businesses and benefitting from effective return-on-investment.

Continuing to commit in R&D to enhance existing m-FINANCE trading platform and financial value-added services for capturing world-wide demand for our trading solutions

Enhancing and upgrading financial trading solutions

As the financial technology industry is a fast-evolving industry, we believe that it is essential for m-FINANCE to keep pace with the technological advancement and equip ourselves with the latest and/or prevailing technologies to formulate new projects and ideas.

In addition, our management expects that industry competition will continue to intensify in the near future. Financial technology is taking an increasingly important role in trading process, from pre-trade risk management to clearing and settlement, which creates opportunities and challenges to the market players. It is observed by the management that the market participants are actively exploring ways to perform system upgrades and service enhancements. In particular, algo-trading, big data and artificial intelligence applications are increasingly integrated in the areas of trading. As part of our core strategies, the Operating Subsidiaries will endeavor to continuously update current functions and may, in the future, seek to launch new functions.

Business development activities to support regional expansion

As of the date of this annual report, we have had an established client base in Hong Kong, and some clients in other regions. In the future, we intend to increase business presence of our Operating Subsidiaries, concentrating on regional expansion by reinforcing the existing client base and developing operations in other regions by establishing new branches in other cities, as needed.

Expansion of client basis

m-FINANCE is dedicated to providing holistic solutions aligned to customer needs. Consumers expect seamless, hyper-personalized digital services tailored to their unique situations. We expect to continuously help m-FINANCE grow its client base with increased customer-focused, which will require understanding what customers need, the experiences they covet and the heightened importance of financial well-being. m-FINANCE plans to refine its strategies and services by designing and delivering customer experiences to increase trust and loyalty, creating seamless interactions with the clients and providing flexible solutions that easily respond to shifting customer needs and aspirations.

Establishment of a proprietary trading platform for Algo-traders

Our management expects that algorithmic trading will become more and more common. Algo trading is the use of algorithms or rules to make purchasing and sales decisions on the investor's behalf, based on a set of instructions defining price, quantity, timing, or any mathematical model. It allows retail traders to get access to trading algorithm designed by worldwide strategists and hedge funds. Additionally, this type of trading maximizes returns by arbitraging the advantages of enormous amounts of data, tiny processing delays, huge throughput capacity, dynamically balanced portfolios, and intelligent predictive analytics.

In light of the above, m-FINANCE intends to incorporate prevailing technologies to build a new platform business which will invite, qualify and recruit algorithmic traders to participate in its proprietary trading platform. We envision that this proprietary trading platform may lead to improvement of clients' trading life cycle, stickiness and may facilitate higher trading volume.

Retaining, attracting and motivating high caliber and experienced staff

We believe that human resources are of paramount importance to the business operations of the Operating Subsidiaries and our success depends on the ability to hire new talents for the Operating Subsidiaries to deliver new features to the financial trading solutions they provide and retain core employees to maintain our competitiveness. Additionally, we plan to recruit more sales and marketing personnel to broaden our international market and client base. Further, for the purpose of regulatory compliance with the SEC and NASDAQ, we also plan to hire additional in-house counsel and compliance officers. We also encourage potential staff to study and apply for relevant professional qualifications through allowances and on-going training. We will also continue to maintain a people-oriented management culture and working environment that promote employees' personal and professional development. We have instituted a pilot 4.5-day work week every other week, to adapt to the new normal conventions in the workplace since July 2022, and we are a pioneer company in Hong Kong to carry out this working scheme. We hope the measures will improve employee wellness so that employees will be better motivated at work and perform more efficiently, creating a mutually beneficial situation.

Expansion in sales and marketing

We also plan to promote our Operating Subsidiaries' market presence by investing more in sales and marketing in the international market, including online advertisement, promotion, digital marketing, and exhibition.

Competitive Strengths

We believe a combination of the following competitive strengths contribute to our Operating Subsidiaries' continued success and potential for growth:

Experienced management team fully understands the market situation and technology

We have a highly committed and professional senior management team with strong credentials and extensive experience in the financial technology industry. Our experienced management team is led by Chief Executive Officer, Chi Weng Tam, and Managing Director, Tai Wai (Stephen) Lam. Both individuals have strong business connections and knowledge in the IT and finance sectors, and had proven track records in taking business to the next level. The Managing Director, CEO and senior management team are adaptable to challenges and changing economic environment. During the course of business, our management's vision and entrepreneurial spirit, an integral part to building brand and developing business of our Operating Subsidiaries, have played a crucial role in shaping m-FINANCE's industry recognition, market reputation and business success. m-FINANCE's management also possesses extensive technical know-how and domain knowledge to respond to changing trends in the industry, which we expect will aid in formulating and implementing business strategies in the financial technology industry. See "Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES — A. Directors and Senior Management" for further details of the management's biographies.

The extensive experience and market foresight of the management team, supported by a team of high-caliber solution analysts and application developers, we believe will be able to help m-FINANCE capitalize on the industry expertise, adapt to the changes in market conditions, and formulate and execute business strategies effectively.

Unique comprehensive one-stop offering covering needs of traders, dealers and financial institutions.

In order to strengthen m-FINANCE's position as a financial trading solution provider, it endeavors in innovating new financial trading solutions and enhancing its existing financial trading solutions, to respond to the changing needs and requirements of customers, serving various sophisticated market players in the financial industry, such as traders, brokers and dealers. As of the date of this annual report, m-FINANCE offers a comprehensive range of financial trading solutions covering the trade life cycle, such as providing real-time mission critical forex, bullion/commodities trading platform solutions, financial value-added services, mobile applications and financial information.

24/7 round-the-clock support services specialized in mission critical application support and support provision

m-FINANCE has a dedicated service team with knowledgeable and well-trained personnel, providing premium customer services on any technical issues promptly regarding the platforms and applications developed by m-FINANCE. Clients have access to 24/7 online customer support services via messaging applications such as WhatsApp, Skype, Tencent QQ, WeChat, emails and phone in Mandarin Chinese, Cantonese Chinese and English.

Key Services

m-FINANCE Trading Platform

Our flagship platform is a turnkey trading solution being built to fulfill brokers' business needs. This platform includes the following major components:

Front, Middle and Back Office

m-FINANCE's award-winning platform ("The Most Outstanding Foreign Exchange Precious Metals Trading Platform of the Year in Greater China" in 2022, awarded by Hong Kong's Most Outstanding Business Awards 2022) suite covers all major features and functions required to operate an online trading platform business. Our Front, Middle and Back Office modules allow traders, introducing brokers and account managers, dealers, settlement and credit officers to easily monitor and execute trades, perform risk management and account openings, and operate the trading business in a secured and stable environment.

m-FINANCE's trader terminal comes in .NET, Java, iOS, Android and HTML5 versions, providing the greatest flexibility for traders to manage their positions and place orders anytime, anywhere.



In order to address the various needs of clients, the platform is designed to be highly configurable to address specific business requirements without being required to redeploy or rebuild the applications. This is very crucial to serve the 24-hour non-stop over-the-counter market.

Pricing Engine

The “Price Engine” is the heart of a trading platform, which links up with market data feeds and then distributes to all connected applications in a timely and efficient manner. Due to the special nature of the over-the-counter market, there are chances of error quotes from market data and discrepancies of price quotes from different sources. However, m-FINANCE’s pre-built data feed management functionalities allow dealers to define filtering rules and specific templates to cope with various market conditions in real-time.

Customer Relationship Management (CRM)

m-FINANCE’s CRM system refers to a Customer Relationship Management system developed exclusively for facilitating forex/bullion brokerage companies to manage all the Introducing Brokers (IBs) and clients efficiently. It assists to streamline and standardize the operation processes with a view to reducing costs, improving efficiency and increasing customer retention. The cloud-based CRM system integrates with the m-FINANCE trading platform as well as MT4/MT5 trading platforms from Metaquotes Ltd. It has a full-fledged affiliate system with multi-tier rebate capabilities which allow brokers to grow their brokerage business rapidly. By introducing new functions to cater different business models, the mF CRM system can help brokers manage their entire business effectively whilst reducing trading risk.



Liquidity solutions

m-FINANCE provides liquidity services to customers for the use of the fully automatic hedging solution and sending their clients’ orders directly to the liquidity providers such as institutional brokers, market makers, exchanges and prime of prime brokers. m-FINANCE’s solution supports Financial Information Exchange (FIX), which is the de-facto standard for international real-time exchange of transactions among financial institutions. The trading platform provide brokers/dealers with automatic hedging services by sending clients’ orders directly to FIX-compliant international banks, exchanges, institutional brokers or electronic communication network (ECN) platforms. Through assessing the specific demands of brokers/dealers, m-FINANCE may provide various hedging solutions, allowing them to define criteria of switching between A-Book and B-Book business models. When brokers use the A-Book business model, all of their clients’ orders are transmitted directly to the connected liquidity providers. When brokers operate as market makers, it is referred to as the B-Book model, orders are then processed in-house by the brokers. The easy switch between these two models allows the brokers to control their investment risks and maximize their profits.



White label services

m-FINANCE provides white label services to customers by allowing them to add additional labels or brands to the trading platform services. Thess provide customers the highest flexibility to operate their trading platform business based on their individual business development strategy or marketing needs at a lower operating cost.

Social and copy trading (“CopyMaster”)

Copy trading is gaining popularity because it provides users with the opportunity to follow the trading portfolio of successful traders’ transactions such as buy/sell events and profit & loss summary. With the convenience of using smart phones, users are demanding tools or apps with copy trading function to assist them in making trading decision anywhere and anytime. Users may define their preferred trade copying rules based on their own risk appetite, which enable them to automatically copy trading actions of other traders. By combining copy trading with social media elements, such as comment and share functions, into m-FINANCE’s self-developed mobile application, CopyMaster, traders, analysts, guru, introducing brokers can interact, share knowledge and strategies, and engage in the forex and bullion markets with ease. This application, available in iOS and Android versions, is also equipped with several built-in interactive utilities, including traders’ ranking, market sentiment analysis, virtual points, group chats, messaging and alerts, as well as live broadcasts.

Cross-platform “Broker+” solution

The Cross-platform “Broker+” solution scales up brokers’ business by providing them with flexibility to operate as a liquidity provider. In combination with m-FINANCE’s trading platform, brokers can accept orders from other brokers who are using MT4 software developed by Metaquotes Ltd. directly via STP, in order to expand their trading volume. “Broker+” solution allows configuration of multiple modules with independent price quote setting for different brokers. More importantly, brokers utilizing the m-FINANCE trading platform can have full flexibility to hedge specific orders from other brokers by switching between A-Book and B-Book modes conveniently.

Other Financial Value-added services (FVAS)

Aligning with its one-stop trading solutions strategy, m-FINANCE is also providing several financial value-added services to its clients, such as interactive charts, professional trading analysis & strategies, economic calendar, instant financial news, real-time quotes, online payment gateway, mobile customer relationship management System (mCRM) and website development. All these services can be tailored to assist clients to establish, promote and strengthen their online trading business and services. For example, the mCRM service is already connected with multiple SMS gateways for delivery of short messages to world-wide users. It thus enables automatic delivery of important information (such as cut loss, deposit/withdraw, reset password) or promotional messages to traders’ mobile phones, significantly reducing the workload of back office staff and providing a good means of marketing. Riding on m-FINANCE’s I-A-D-T philosophy, real-time quotes and market analysis being the “I” and “A” components, the optional subscription services have been the seamlessly integrated parts of the trading platform, distributing traders with timely market knowledge.

Revenue Model

Our revenue model is subject to the type of services provision to clients, which include:

Fee Type		Trading Platform	CRM	Liquidity Solutions	CopyMaster	Broker+	FVAS
1	Initial set up, installation and customization services (Note 1)	Y	Y	Y	Y	Y	Y
2	Subscriptions (Note 2)	Y	Y		Y	Y	
3	Hosting, support and maintenance services (Note 2)	Y	Y	Y	Y	Y	O
4	White label services (Note 2)	O					
5	Liquidity services income (Note 3)			Y			
6	Quotes/news/package subscription services (Note 2)				O		Y

Remarks:

O = *Optional fee*

Notes:

1. We charged a one-time service fee for the services provided.
2. We charged a monthly fee for the services provided.
3. We charged a transaction fee based on the trading volume or lot size.

Prepayment of recurrent fees is required in most cases, either on quarter or annual basis. The packaged platform deployment cycle is around two weeks to one-month, subject to user acceptance testing duration to be performed by clients. All customization work will have fixed priced quotation issued for the client to confirm an order. Clients are required to settle all one-time fees within the specified timeframe per contractual term before production launch of services. We generally grant credit-terms of 30 days to the clients. Nevertheless, at times, clients may require additional time to pay us or fail to pay us at all, management will then decide on whether to continue on service provisioning based on the specific client situation. These exceptional cases may add up the overall collection exposure, increase the amounts of accounts receivable and consequently lead to additional allowance for bad and doubtful debt accounts.

Revenue

The following table sets forth the breakdown of our revenue for the years ended December 31, 2022, 2023 and 2024:

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Initial set up, installation and customization services	7,140,076	8,973,079	2,700,199	347,619
Subscriptions	11,414,976	11,445,019	11,419,059	1,470,070
Hosting, support and maintenance services	4,186,369	4,338,184	4,893,759	630,014
Liquidity services	6,699,586	2,626,516	1,902,895	244,975
White label services	1,889,188	2,122,198	3,018,561	388,604
Quotes/news/package subscription services	3,601,632	2,456,181	2,150,845	276,896
Total revenue	34,931,827	31,961,177	26,085,318	3,358,178

Clients

Clients of the Operating Subsidiaries are mainly financial institutions, including brokers, investment banks, institutional clients, liquidity providers and financial services providers. The Operating Subsidiaries recruit new clients via existing client referrals, personal networking, online advertisement, promotion, digital marketing, and exhibition. As of the date of this annual report, the Operating Subsidiaries do not offer any incentive for client referrals. For the years ended December 31, 2022, 2023 and 2024, we had 60, 54 and 49, respectively.

We did not have any key clients on which we depended during the years ended December 31, 2022, 2023 and 2024. Since the revenue generated by each client depends on the type and amounts of services consumed, it is possible for any client or potential client to become a top five client for a fiscal year. The following two facts further indicate that there is no key client on which we were dependent during the years ended December 31, 2022, 2023 and 2024: (i) the total revenue generated by the top five clients represents less than 40% of the revenue of the Operating Subsidiaries for the years ended December 31, 2022, 2023 and 2024; and (ii) the top five clients were not exactly the same for the years ended December 31, 2022, 2023 and 2024.

Salient Terms of Service Agreements

Scope of services

The Operating Subsidiaries generally enter into written service agreements with clients that set out the scope of services to be provided, and will include the provision of one or more of our development and financial trading solutions services, subject to the request of the customers.

Term

During the years ended December 31, 2022, 2023 and 2024, the service agreements entered were generally for a period of 1 year.

Service fees and payment terms

The service agreements of the Operating Subsidiaries specify the terms of the service fees, including the payment schedule or a provision that payment is required to be made upon the presentation of the invoice.

Termination

The service agreements generally grant both counterparties the right to terminate the contracts by providing written notice to the other party within the specified timeframe.

Top Five Clients

For the year ended December 31, 2022, our five largest customers accounted for 18.0%, 6.1%, 5.0%, 4.3% and 4.2%, respectively, of our total revenues.

For the year ended December 31, 2023, our five largest customers accounted for 6.7%, 5.5%, 5.2%, 4.7% and 4.5%, respectively, of our total revenues.

For the year ended December 31, 2024, our five largest customers accounted for 6.9%, 6.6%, 5.7%, 5.5% and 5.4%, respectively, of our total revenues.

None of our directors, their close associates, or any shareholders who owned more than 5% of the issued shares of our Company, as of the date of this annual report, had any interest in any of the five largest clients of Operating Subsidiaries during the years ended December 31, 2022, 2023 and 2024. As of the date of this annual report, we are not aware of any of the major clients having experienced material financial difficulties that may materially affect our or the Operating Subsidiaries' business.

Service Providers

During the years of December 31, 2022, 2023 and 2024, the suppliers were all IT service providers. Our top five suppliers during the years ended December 31, 2022, 2023 and 2024 did not grant credit terms to us and payments made to them were generally made by check and settled in HK\$.

For the year ended December 31, 2022, our five largest service providers accounted for 5.2%, 4.0%, 2.8%, 1.7% and 1.0%, respectively, of our total cost of revenue.

For the year ended December 31, 2023, our five largest service providers accounted for 6.6%, 3.3%, 2.0%, 1.5% and 1.3%, respectively, of our total cost of revenue.

For the year ended December 31, 2024, our five largest service providers accounted for 6.8%, 3.6%, 1.8%, 1.3% and 1.2%, respectively, of our total cost of revenue.

Our directors, Tai Wai (Stephen) Lam and Chi Weng Tam, who are also the shareholders who owned more than 5% of the issued Class B Ordinary Shares as of the date of this annual report, own 100% equity interests in one of the service providers, PrimeTime Global Technologies Limited through Gaderway Investments Limited. Other than as disclosed above, none of our directors, their close associates, nor any shareholders who owned more than 5% of the issued shares of our Company, as of the date of this annual report, had any interest in any of the five largest service providers during the years ended on December 31, 2022, 2023 and 2024. As of the date of this annual report, neither we nor the Operating Subsidiaries had any significant disputes with any of the service providers for the years ended December 31, 2022, 2023 and 2024.

Risk Management

Our management is of the view that during the ordinary course of the business, the Operating Subsidiaries are primarily exposed to risks related to information technology security. On the managerial level, our executive directors are responsible for the control measures and supervision of operations in all aspects. The following sets out the risks and mitigating control measures taken by our Operating Subsidiaries.

Data Availability

The Operating Subsidiaries are using database clustering and redundancy to prevent the risk of any data loss.

Data Privacy

We and the Operating Subsidiaries value our and the clients' data privacy. Sensitive data is only accessible to approved parties of the customers through the services provided by our Operating Subsidiaries. All accesses to production systems are logged, and every logging party only has limited access time to the systems.

Firewalls

The Operating Subsidiaries employ redundant firewalls for monitoring and filtering network traffic.

Encryption

The Operating Subsidiaries deployed a separate encryption key for each client on the trading platform deployed when the clients are sending and receiving transaction data.

Alert System

The Operating Subsidiaries also developed an alert system to notify support personnel upon various abnormal system events.

Inventory

As of the date of this annual report, the Operating Subsidiaries do not keep any inventory.

Competition

We believe the financial technology industry in Hong Kong and Asia is competitive and fragmented. With the rise of electronic trading in recent years, the industry has attracted the presence of both Hong Kong-based and international companies. We believe the financial technology industry in Hong Kong and Asia is competitive and fragmented. With the rise of electronic trading in recent years, the industry has attracted the presence of both Hong Kong-based and international companies.

With the successful project delivery and sound reputation, some international financial trading solutions providers have applied their proven expertise in the industry, while the local financial trading solutions providers leverage the established relationship with customers. Strong local partnership allows efficient access to local networks and information, which our management believes is a key advantage to our Operating Subsidiaries.

Material Licenses, Certificates and Approvals

All of our active Operating Subsidiaries were formed and are operating in Hong Kong, and they have received all required permissions from Hong Kong authorities to operate their current business in Hong Kong, namely, their business registration certificates.

Properties***Real Property***

As of the date of this annual report, neither we nor the Operating Subsidiaries own any real property. Our operating subsidiary, m-FINANCE, has entered into three lease agreements with two independent third parties, the details of which are set out below.

<u>Address</u>	<u>Gross Floor Area</u>	<u>Use of the Property</u>	<u>Lease Term</u>
Unit 1801, Fortis Tower, 77-79 Gloucester Road, Wan Chai, Hong Kong	3750 (sq./ft)	Office	From January 31, 2022 to January 30, 2024 From January 31, 2024 to January 30, 2026 (Renewed)
Carparking Space No. 33 on 2/Floor, Fortis Tower, NOS. 77, 78-79 Gloucester Road, Hong Kong	N/A	Parking Lot	From January 31, 2022 to January 30, 2023 From January 31, 2023 to January 30, 2024 From January 31, 2024 to January 30, 2025 From January 31, 2025 to January 30, 2026 (Renewed)
Carparking Space No. 62 on 3/Floor, Fortis Tower, NOS. 77, 78-79 Gloucester Road, Hong Kong	N/A	Parking Lot	From January 31, 2022 to January 30, 2024 No longer renewed after expiration
Carparking Space No. 74 on 3/Floor, Fortis Tower, NOS. 77, 78-79 Gloucester Road, Hong Kong	N/A	Parking Lot	From January 31, 2024 to January 30, 2025 From January 31, 2025 to January 30, 2026 (Renewed)

Intellectual Properties**Domain Name**

We are the registrants of the following domain names: goldtradingsignal.com, mfintrader.com, tradingguard.net, tradingsky.net, omegatraders.com, fx24k.com, m-finance.net, m-finance.com, m-finance.hk, mfcloud.net, mmaster.com. algotraders.finance, tradingengine.net. As of the date of this annual report, all of the domains remain active and the Company may renew such registrations for further periods, and expects to do so for the foregoing domain names at appropriate times.

Trademark

As of the date of this annual report, the Operating Subsidiaries maintained 7 trademark registrations in Hong Kong and 9 trademark registrations in mainland China through m-FINANCE regarding its business name and brand names. Registered trademarks in Hong Kong and mainland China are valid for a period of 10 years beginning on the date of registration. The Company may renew successfully for further periods of 10 years at the end of the current period, and, as of the date of this annual report, expects to do so for the foregoing trademarks at appropriate times. Our directors consider that the business and profitability of our Company and the Operating Subsidiaries are not dependent on any patent, license or new manufacturing process.

Seasonality

Our Operating Subsidiaries' operations do not typically experience any seasonality.

Employees

As of the date of this annual report, there are 36 employees in our Company, including the Operating Subsidiaries. As of December 31, 2024 and 2023, we had 34 and 32 employees, respectively. All of the employees are stationed in Hong Kong. The following table sets forth a breakdown of the number of our employees by job functions as of the date of this annual report:

Job Functions	Number of Employees
Management	2
Business Analyst/Quality Assurance	6
Design	1
Finance	2
Finance and Administration	1
Office Administration	1
Operations	2
Sales and Marketing	4
Software Development	12
Technical Support	5
Total	36

For the years ended December 31, 2022, 2023, and 2024, there was no strike or labor dispute with the staff and we believe the relationships with the employees and work environment are generally positive. We and the Operating Subsidiaries regularly assess the job performance of our staff and we believe that our remuneration policy helps us attract and retain our staff. We determine our employees' remuneration based on a number of factors, including their duties, position, experience, qualifications and contributions to our Operating Subsidiaries. During the years ended on December 31, 2022, 2023 and 2024, the staff costs of the employees, including salaries, contributions to Mandatory Provident Fund Scheme Ordinance (the "MPFSO", a retirement scheme in Hong Kong where employers are required to contribute certain amount of employee's monthly income to the fund) and other benefits were approximately HK\$16,332,699 and HK\$16,509,766, and HK\$18,813,515 (US\$2,422,019), respectively.

Data Privacy

In the course of the business operation through our Operating Subsidiaries, they may collect personal data from our customers in connection with the business operations and this information may be subject to data privacy laws in the jurisdiction of Hong Kong. According to the relevant law in relation to data privacy, it is necessary for customers, or data owners, to be informed of the purpose for which the data is to be used on or before collecting the data, and such data shall not be used for a new purpose without the prescribed consent of the data owners. Our subsidiaries' data privacy statement states that the personal data being collected can be used for purposes of data analysis and supporting our subsidiaries to develop and to improve the functions of our subsidiaries. We believe that we and our subsidiaries are in compliance with all relevant laws and regulations in all material respects with respect to data privacy.

Environmental Compliance

We believe that the nature of our subsidiaries' business does not impose any serious threats to social responsibility and environmental protection matters.

Legal Proceedings

For the years ended on December 31, 2022, 2023 and 2024, and as of the date of this annual report, neither we nor the Operating Subsidiaries have been involved in any litigation, claim, administrative action or arbitration which had a material adverse effect on the operations or financial condition of our Company or our Operating Subsidiaries.

Insurance

The Operating Subsidiaries provide business protection insurance including covering Property All Risks, Business Interruption Money and Personal Assault, Public Liability, Employee's Compensation in compliance with applicable Hong Kong laws. Such insurance policies generally extend for one year and are renewable annually. We believe that the current insurance coverage is sufficient for our Operating Subsidiaries' business operations and is consistent with the industry conventions in Hong Kong. The Operating Subsidiaries were not subject to, nor did they receive, any insurance claims during the years ended on December 31, 2022, 2023 and 2024, and as of the date of this annual report.

Research and Development

During the year ended December 31, 2022, the Company engaged PrimeTime Global Technologies Limited, a related party of the Company, and three independent third parties for research and development. During the years ended December 31, 2023 and 2024, the Company did not engage PrimeTime Global Technologies Limited. It mainly utilized internal resources and one independent third party for research and development.

Regulations

Regulations Related to our Business Operation in Hong Kong

We are a BVI holding company with three Operating Subsidiaries as forex/bullion trading solutions providers in Hong Kong. Below sets out a summary of certain aspects of the Hong Kong laws and regulations which are relevant to our Operating Subsidiaries' operations and business.

Regulations related to business registration

Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong)

The Business Registration Ordinance requires every person carrying on any business to make an application to the Commissioner of Inland Revenue in the prescribed manner for the registration of that business within one month after the commencement of business. The Commissioner of Inland Revenue must register each business for which a business registration application is made and as soon as practicable after the prescribed business registration fee and levy are paid and issue a business registration certificate or branch registration certificate for the relevant business or the relevant branch, as the case may be. Any person who fails to apply for business registration shall be guilty of an offence and shall be liable to a fine of HK\$5,000 and imprisonment for 1 year. As of the date of this annual report, each of the Operating Subsidiaries has obtained and maintains a valid business registration certificate.

Regulations related to employment and labor protection

Employment Ordinance (Chapter 57 of the Laws of Hong Kong)

The Employment Ordinance, or the EO, is an ordinance enacted for, amongst other things, the protection of wages of employees and the regulation of the general conditions of employment and employment agencies. Under the EO, an employee is generally entitled to, amongst other things, notice of termination of his or her employment contract; payment in lieu of notice; maternity protection in the case of a pregnant employee; not less than one rest day in every period of seven days; severance payments or long service payments; sickness allowance; statutory holidays or alternative holidays; and paid annual leave of up to 14 days depending on the period of employment.

Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)

The Employees' Compensation Ordinance, or the ECO, is an ordinance enacted for the purpose of providing for the payment of compensation to employees injured in the course of employment. The EO establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases.

Under the ECO, if an employee sustains an injury or dies as a result of an accident arising out of and in the course of his employment, his employer is in general liable to pay compensation even if the employee might have committed acts of faults or negligence when the accident occurred. Similarly, an employee who suffers incapacity or dies arising from an occupational disease is entitled to receive the same compensation as that payable to employees injured in occupational accidents.

As stipulated by the ECO, no employer shall employ any employee in any employment unless there is in force in relation to such employee a policy of insurance issued by an insurer for an amount not less than the applicable amount specified in the Fourth Schedule of the ECO in respect of the liability of the employer. According to the Fourth Schedule of the ECO, the insured amount shall be not less than HK\$100,000,000 per event if a company has not more than 200 employees. Any employer who contravenes this requirement commits a criminal offence and is liable on conviction to a fine and imprisonment. An employer who has taken out an insurance policy under the ECO is required to display a prescribed notice of insurance in a conspicuous place on each of its premises where any employee is employed.

Our directors confirm that we have maintained our employee's compensation insurance policy and all of our local employees are insured under the employee's compensation insurance policy, as of the date of this annual report.

Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

The Occupational Safety and Health Ordinance provides for the protection of health and safety of employees in workplaces, both industrial and non-industrial.

Employers must, as far as reasonably practicable, ensure the safety and health at work of all employees by:

- providing and maintaining plant and systems of work that are safe and without risks to health;
- making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances;
- providing all necessary information, instruction, training, and supervision for ensuring safety and health;
- as regards any workplace under the employer's control, maintaining the workplace in a condition that is safe and without risks to health and providing and maintaining means of access to and egress from the workplace that are safe and without risks to health; and
- providing or maintaining a working environment for the employer's employees that is, so far as reasonably practicable, safe and without risks to health

Failure to comply with any of the above provisions constitutes an offence and the employer is liable on summary conviction to a fine of HK\$3,000,000. An employer who fails to do so intentionally, knowingly or recklessly commits an offence and is liable on summary conviction to a fine of HK\$3,000,000 and imprisonment of six months.

Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong)

The Occupiers Liability Ordinance regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land.

The Occupiers Liability Ordinance imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)

The Mandatory Provident Fund Schemes Ordinance, or the MPFSO, is an ordinance enacted for the purposes of providing for the establishment of non-governmental mandatory provident fund schemes, or the MPF Schemes. The MPFSO requires every employer of an employee of 18 years of age or above but under 65 years of age to take all practical steps to ensure the employee becomes a member of a registered MPF Scheme within the first 60 days of employment. Subject to the minimum and maximum relevant income levels, it is mandatory for both employers and their employees to contribute 5% of the employee's relevant income to the MPF Scheme.

Any employer who contravenes the requirement of enrolling eligible employees in a registered MPF Scheme commits a criminal offence and is liable on conviction to a maximum fine of HK\$350,000 and imprisonment for three years.

Any employer who contravenes the requirement of paying mandatory contributions to the MPF Scheme commits a criminal offence and is liable on conviction to a maximum fine of HK\$100,000 and imprisonment for six months on the first conviction and a maximum fine of HK\$200,000 and imprisonment for one year on each subsequent conviction.

Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)

The Minimum Wage Ordinance provides for a prescribed minimum hourly wage rate (currently at HK\$40.0 per hour) during the wage period for every employee engaged under a contract of employment under the Employment Ordinance. Any provision of the employment contract which purports to extinguish or reduce the right, benefit or protection conferred on the employee by the Minimum Wage Ordinance is void.

Failure to pay minimum wage amounts to a breach of the wage provisions under Employment Ordinance. An employer who willfully and without reasonable excuse fails to pay wages to an employee when it becomes due is liable to prosecution and, upon conviction, to a fine of HK\$350,000 and imprisonment for three years.

Regulations related to Hong Kong taxation

Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong)

Under the Inland Revenue Ordinance, where an employer commences to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than three months after the date of commencement of such employment. Where an employer ceases or is about to cease to employ in Hong Kong an individual who is or is likely to be chargeable to tax, or any married person, the employer shall give a written notice to the Commissioner of Inland Revenue not later than one month before such individual ceases to be employed in Hong Kong.

Withholding tax on dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no withholding tax is payable in Hong Kong in respect of dividends paid by the Operating Subsidiaries in Hong Kong.

Capital gains and profit tax

The Inland Revenue Ordinance provides, among other things, that profits tax shall be charged on every person carrying on a trade, profession or business in Hong Kong in respect of his or her assessable profits arising in or derived from Hong Kong at the standard rate at 16.5%, except for the qualifying group entity under the two-tiered profits tax regime. The two-tiered profits tax regime is applicable to years of assessment commencing on or after April 1, 2018, for which the first HK\$2,000,000 assessable profits are taxed at the rate of 8.25% and the remaining assessable profits are taxed at 16.5%. The Inland Revenue Ordinance also contains detailed provisions relating to, among other things, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciations of capital assets.

No tax is imposed in Hong Kong in respect of capital gains from the sale of shares. However, trading gains from the sale of shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong, will be subject to Hong Kong profits tax. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes.

Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)

Under the Stamp Duty Ordinance, the Hong Kong stamp duty currently charged at the ad valorem rate of 0.1% on the higher of the consideration for or the market value of the shares, will be payable by the purchaser on every purchase and by the seller on every sale of Hong Kong shares (in other words, a total of 0.2% is currently payable on a typical sale and purchase transaction of Hong Kong shares). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of Hong Kong shares. Where one of the parties is a resident outside Hong Kong and does not pay the ad valorem duty due by it, the duty not paid will be assessed on the instrument of transfer (if any) and will be payable by the transferee. If no stamp duty is paid on or before the due date, a penalty of up to ten times the duty payable may be imposed.

Estate duty

Hong Kong estate duty was abolished effective from February 11, 2006. No Hong Kong estate duty is payable by shareholders in relation to the shares owned by them upon death.

Regulations related to anti-competition

Competition Ordinance (Chapter 619 of the Laws of Hong Kong)

The Competition Ordinance that commenced full operation on December 14, 2015 (i) prohibits conduct that prevents, restricts or distorts competition in Hong Kong; (ii) prohibits mergers that substantially lessen competition in Hong Kong; and (iii) provides for incidental and connected matter.

The “First Conduct Rule” prohibits anti-competitive agreements, practices and decisions. It provides that an undertaking must not (i) make or give effect to an agreement; (ii) engage in a concerted practice; or (iii) as a member of an association of undertakings, make or give effect to a decision of the association, if the object or effect of the agreement, concerted practice or decision is to prevent, restrict or distort competition in Hong Kong. Serious anti-competitive conduct includes (i) fixing, maintaining, increasing or controlling the price for the supply of goods or services; (ii) allocating sales, territories, customers or markets for the production or supply of goods or services; (iii) fixing, maintaining, controlling, preventing, limiting or eliminating the production or supply of goods or services; and (iv) bid-rigging.

The “Second Conduct Rule” prohibits the abuse of market power. It provides that an undertaking that has a substantial degree of market power in a market must not abuse such power by engaging in conduct that has as its object or effect the prevention, restriction or distortion of competition in Hong Kong. This conduct may in particular, constitute an abuse of such market power if it involves predatory behavior towards competitors or limiting production, markets or technical development to the prejudice of consumers. Matters that may be taken into consideration when determining whether an undertaking has a substantial degree of market power in a market include (i) the market share of the undertaking; (ii) the undertaking’s power to make pricing and other decisions; and (iii) any barriers to entry to competitors into the relevant market.

The First Conduct Rule and the Second Conduct Rule apply to all sectors of the Hong Kong economy. Therefore, our business is subject to Competition Ordinance generally.

In the event of contravention of a competition rule, the Competition Tribunal may (i) on application by the Competition Commission, impose pecuniary penalty of any amount it considers appropriate subject to a maximum of 10% of the turnover of the undertaking concerned for each year in which the contravention occurred for each single contravention (if the contravention occurred in more than three years, 10% of the turnover of the undertaking for the three years that saw the highest, second highest and third highest turnover); (ii) on application by the Competition Commission, make an order disqualifying a person from being a director of a company or from otherwise being concerned in the affairs of a company; (iii) make orders it considers appropriate, including but not limited to prohibiting an entity from making or giving effect to an agreement, requiring modification or termination of an agreement, requiring payment of damages to a person who has suffered loss or damage as a result of the contravention.

Laws in Relation to Intellectual Property Rights

Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)

The Copyright Ordinance currently in force in Hong Kong came into effect on June 27, 1997. The Copyright Ordinance as reviewed and revised from time to time provides comprehensive protection for recognised categories of work such as literary, dramatic, musical and artistic works, as well as for sound recordings, films, television broadcasts and cable programmes. Certain copyrights may subsist in the works we create in relation to our artistic works or literary works that qualify for copyright protection without registration.

The Copyright Ordinance restricts certain acts such as copying and/or issuing or making available copies to the public of a copyright work without the authorisation from the copyright owner which, if done, constitutes infringement of copyright.

Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong)

The Trade Marks Ordinance currently in force in Hong Kong came into effect on April 4, 2003. The Trade Marks Ordinance is a statute enacted to make provision in respect of the registration of trademarks and for connected matters. The Trade Marks Ordinance provides (amongst other things) that a person infringes a registered trade mark if the person uses in the course of trade or business a sign which is:

- (a) identical to the trade mark in relation to goods or services which are identical to those for which it is registered;
- (b) identical to the trade mark in relation to goods or services which are similar to those for which it is registered; and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public;
- (c) similar to the trade mark in relation to goods or services which are identical or similar to those for which it is registered; and the use of the sign in relation to those goods or services is likely to cause confusion on the part of the public; or
- (d) identical or similar in relation to goods or services which are not identical or similar to those for which the trade mark is registered; the trade mark is entitled to protection under the Paris Convention as a well-known trade mark; and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

Under the Trade Marks Ordinance, the owner of a trade mark is entitled to bring infringement proceedings against a person infringing his or her trade mark for damages, injunctions, accounts and any other relief available in law. As of the date of this annual report, our subsidiaries registered seven trade marks in Hong Kong relating to our business, and there have been no infringement claims commenced by or against the Operating Subsidiaries with respect to any trade mark.

Regulations related to anti-money laundering and counter-terrorist financing

Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)

The Anti-Money Laundering and Counter-Terrorist Financing Ordinance, or the AMLO, imposes requirements relating to client due diligence and record-keeping and provides the regulatory authorities with the powers to supervise compliance with the requirements under the AMLO. In addition, the regulatory authorities are empowered to (i) ensure that proper safeguards exist to prevent contravention of specified provisions in the AMLO; and (ii) mitigate money laundering and terrorist financing risks.

Drug Trafficking (Recovery of Proceeds) Ordinance (Chapter 405 of the Laws of Hong Kong)

The Drug Trafficking (Recovery of Proceeds) Ordinance, or the DTROP, contains provisions for the investigation of assets suspected to be derived from drug trafficking activities, the freezing of assets on arrest and the confiscation of the proceeds from drug trafficking activities. It is an offence under the DTROP if a person deals with any property knowing, or having reasonable grounds to believe, it to be the proceeds from drug trafficking. The DTROP requires a person to report to an authorized officer if he/she knows or suspects that any property (directly or indirectly) is the proceeds from drug trafficking or is intended to be used or was used in connection with drug trafficking, and failure to make such disclosure constitutes an offence under the DTROP.

Organized and Serious Crimes Ordinance (Chapter 455 of the Laws of Hong Kong)

The Organized and Serious Crimes Ordinance, or the OSCO, empowers officers of the Hong Kong Police Force and the Hong Kong Customs and Excise Department to investigate organized crime and triad activities, and it gives the Hong Kong courts jurisdiction to confiscate the proceeds from organized and serious crimes, to issue restraint orders and charging orders in relation to the property of defendants of specified offences. The OSCO extends the money laundering offence to cover the proceeds of all indictable offences in addition to drug trafficking.

United Nations (Anti-Terrorism Measures) Ordinance (Chapter 575 of the Laws of Hong Kong)

The United Nations (Anti-Terrorism Measures) Ordinance, or the UNATMO, provides that it is a criminal offence to: (i) provide or collect funds (by any means, directly or indirectly) with the intention or knowledge that the funds will be used to commit, in whole or in part, one or more terrorist acts; or (ii) make any funds or financial (or related) services available, directly or indirectly, to or for the benefit of a person knowing that, or being reckless as to whether, such person is a terrorist or terrorist associate. The UNATMO also requires a person to report his knowledge or suspicion of terrorist property to an authorized officer, and failure to make such disclosure constitutes an offence under the UNATMO.

Regulations related to data privacy

The Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong)

The Personal Data (Privacy) Ordinance, or the PDPO, imposes a statutory duty on data users to comply with the requirements of the six data protection principles (the “Data Protection Principles”) contained in Schedule 1 to the PDPO. The PDPO provides that a data user shall not do an act, or engage in a practice, that contravenes a Data Protection Principle unless the act or practice, as the case may be, is required or permitted under the PDPO. The six Data Protection Principles are:

- Principle 1 — purpose and manner of collection of personal data;
- Principle 2 — accuracy and duration of retention of personal data;
- Principle 3 — use of personal data;
- Principle 4 — security of personal data;
- Principle 5 — information to be generally available; and
- Principle 6 — access to personal data.

Non-compliance with a Data Protection Principle may lead to a complaint to the Privacy Commissioner for Personal Data (the “Privacy Commissioner”). The Privacy Commissioner may serve an enforcement notice to direct the data user to remedy the contravention and/ or instigate prosecution actions. A data user who contravenes an enforcement notice commits an offense which may lead to a fine and imprisonment.

The PDPO also gives data subjects certain rights, inter alia:

- the right to be informed by a data user whether the data user holds personal data of which the individual is the data subject;
- if the data user holds such data, to be supplied with a copy of such data; and
- the right to request correction of any data they consider to be inaccurate.

The PDPO criminalizes, including but not limited to, the misuse or inappropriate use of personal data in direct marketing activities, non-compliance with a data access request and the unauthorized disclosure of personal data obtained without the relevant data user's consent. An individual who suffers damage, including injured feelings, by reason of a contravention of the PDPO in relation to his or her personal data may seek compensation from the data user concerned.

Regulations Related to the British Virgin Islands

Regulations related to the British Virgin Islands Data Protection Act, 2021

The Data Protection act, 2021 (the "BVI DPA") came into force in the British Virgin Islands on July 9, 2021. The BVI DPA establishes a framework of rights and duties designed to safeguard individuals' personal data, balanced against the need of public authorities, businesses and organizations to collect and use personal data for lawful purposes. The BVI DPA is centered around seven data protection principles which require that:

- personal data must not be processed unless specific conditions are met;
- a data controller must inform a data subject of specific matters, for instance the purposes for which it is being collected and further processed;
- personal data must not be disclosed for any purpose other than the purpose for which it was to be disclosed at the time of collection or a purpose directly related thereto or to any party other than a third party of a class previously notified to the data subject;
- a data controller shall, when processing personal data, take practical steps to protect personal data from loss, misuse, modification, unauthorized or accidental access or disclosure, alteration or destruction;
- personal data must not be kept for longer than is necessary for the purpose;
- personal data must be accurate, complete, not misleading and kept up to date; and
- a data subject must be given access to his or her own personal data and be able to correct that data where it is inaccurate, incomplete, misleading or not up to date, except where a request for such access or correction is refused under the BVI DPA.

The Information Commissioner is the regulator responsible for the proper functioning and enforcement of the BVI DPA. Offences under the BVI DPA include:

- processing sensitive personal data in contravention of the BVI DPA;
- willfully obstructing the Information Commissioner or an authorized officer in the conduct of his or her duties and functions;
- willfully disclosing personal information in contravention of the BVI DPA; and
- collecting, storing or disposing of personal information in a manner that contravenes the BVI DPA.

Offences committed under the BVI DPA may result in fines (up to US\$500,000 in certain cases) or imprisonment. Further, a data subject who suffers damage or distress as a result of their data being processed in contravention of the BVI DPA may institute civil proceedings in the British Virgin Islands courts.

C. Organizational Structure

See “—A. History and Development of the Company.”

D. Property, Plants and Equipment

See “—B. Business Overview—Properties.”

Item 4A. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes included elsewhere in this annual report. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. See “Disclosure Regarding Forward-Looking Statements” for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results and the timing of events could differ materially from those discussed in our forward-looking statements as a result of many factors, including those set forth under “Item 3. KEY INFORMATION — D. Risk Factors” and elsewhere in this annual report.

Unless otherwise indicated, all share amounts and per share amounts in this annual report have been presented giving effect to a share split of our Ordinary Shares at a ratio of 1:231.7, which occurred on August 11, 2023.

A. Operating Results

Overview

mF International is a BVI holding company with three Hong Kong-based subsidiaries providing financial trading solutions by principally engaging in research and development and sales of financial trading solutions. m-FINANCE, our principal operating subsidiary, is one of the financial service market participants with clients in Hong Kong, mainland China and Southeast Asia, and a bullion trading platform solution provider for the Chinese Gold and Silver Exchange (CGSE) Society member in Hong Kong. m-FINANCE has approximately 20 years of experience in providing real-time mission critical forex, bullion/commodities trading platform solutions, financial value-added services, mobile applications and financial information for brokers and institutional clients via internet or platform as software as a service. m-FINANCE has provided a wide range of top-notch services, including mF4 Trading Platform, Trader Pro, Bridge and Plugins, CRM System, ECN System, Liquidity Solutions, Cross-platform “Broker+” Solution, Social Trading Applications and other value-added services.

Key factors that affect operating results

Our results of operations have been and will continue to be affected by a number of factors, including those set out below:

General market conditions of the capital market and financial trading industry in Hong Kong

Our Operating Subsidiaries’ business is closely related to the capital market and financial trading industry in Hong Kong. Through our Operating Subsidiaries, we provide financial trading solutions and the services provided by the Operating Subsidiaries are affected by the capital market in Hong Kong. Any material deterioration in the financial and economic conditions of the financial and capital market in Hong Kong could materially and adversely affect the business and prospects of our Operating Subsidiaries. The Hong Kong financial and capital market is susceptible to changes in the global, as well as domestic economic, social and political conditions, including, but not limited to, interest rate fluctuations, volatility of foreign currency exchange rates, monetary policy changes and legal and regulatory changes. When there are unfavorable changes to the global or local market conditions, the financial and securities market in Hong Kong may experience negative fluctuations in its performance. It may directly affect the demand for our Operating Subsidiaries’ services, pricing strategies, the level of business activities and consequently our revenue derived therefrom. This may materially and adversely affect our financial condition and results of operations.

Our Operating Subsidiaries' abilities to design and develop new services

The financial service industry is characterized by rapidly evolving technology and standards, and our future success will depend on our ability to enhance our Operating Subsidiaries' current financial trading solutions and to introduce new financial trading solutions that keep pace with these rapidly evolving technology and standards. As such, our success is susceptible to our Operating Subsidiaries' ability to integrate new technology and standards into their financial trading solutions, create new solutions and adapt to changing business models and the customers in a timely manner. As a result, we may need to invest significant resources in research and development to maintain our market position, keep pace with technological changes and compete effectively. For the years ended December 31, 2022, 2023 and 2024, we capitalized the research and development costs of HK\$5,993,675, HK\$7,270,898 and HK\$7,967,033 (US\$1,025,662), respectively, as intangible assets. The failure to improve our Operating Subsidiaries' financial trading solutions and services, offer new financial trading solutions and adapt to changing business models in a timely and cost-effective manner could materially and adversely affect business of our Operating Subsidiaries, financial condition and results of operations.

Competition

With the rise of electronic trading in recent years, the industry has attracted the presence of both Hong Kong-based and international companies. As such, the Operating Subsidiaries face potential competition with various financial trading solution providers in the same industry. We believe that the Operating Subsidiaries have differentiated their services with comprehensive range of financial trading solutions with high flexibility, established reputation with proven track record and strong and innovative development capabilities. Should the Operating Subsidiaries fail to compete with their competitors, maintain their competitive advantage or keep pace with technological changes, our overall results of operations could be adversely affected.

The Operating Subsidiaries rely on IT staff and other skilled workers to complete their projects and the retention and recruitment of these skilled professionals is challenging.

There is a limited pool of IT staff and other skilled workers with the requisite skills, know-how and experience required for our Operating Subsidiaries' business. As the quality of IT and technical know-how are keys to the business of our subsidiaries, attracting and retaining talent are essential components of our Operating Subsidiaries' business strategy. We may have to offer better salaries, incentive packages and training opportunities to attract and retain sufficient skilled workers to maintain our Operating Subsidiaries' operations and growth, which may increase our costs and reduce our profitability. For the years ended December 31, 2022, 2023 and 2024, our staff costs of directors and employees, including salaries, provident fund contributions and other benefits were HK\$16,332,699, HK\$16,509,766 and HK\$18,813,515 (US\$2,422,019), respectively. We cannot be certain that we will be able to retain our existing IT staff and other skilled workers and recruit additional qualified professionals to support the future operations and growth of our Operating Subsidiaries. Any failure to do so may adversely affect the business and growth of our Operating Subsidiaries.

Impact of the COVID-19 pandemic on the business and operations of the Operating Subsidiaries

The COVID-19 pandemic has resulted in quarantines, travel restrictions, limitations on social or public gatherings, and the temporary closure of business venues and facilities across the world. The negative impacts of the COVID-19 outbreak on the business of the Operating Subsidiaries include: (i) the uncertain economic conditions may deter clients from engaging our services; (ii) quarantines have impeded and may continue to impede our Operating Subsidiaries' ability to contact existing and new clients and (iii) the operations of the clients of the Operating Subsidiaries have been and could continue to be negatively impacted by the pandemic, which may in turn adversely impact their business performance, and result in a decreased demand for their our services. Moreover, travel restrictions limited other parties' ability to visit and meet the Operating Subsidiaries in person. Although most communication may be achieved via video calls, this form of remote communication may be less effective in building trust and communicating with existing and new clients.

Some of the customers of the Operating Subsidiaries were lost since certain small-sized customers had to shut down their businesses as a result of the adverse impact of the COVID-19 pandemic on their profitability in 2021 and 2022. While COVID-19 may have had a significant overall impact on the business of the Operating Subsidiaries in the short term, the prolonged phenomenon of COVID-19 and the effects of mutations in the virus, both in terms of extent and intensity of the pandemic, together with their ongoing impact on our industry and the macroeconomic situations are still difficult to anticipate and may pose substantial uncertainties. In the event that the health and economic environment does not improve, or there is no significant recovery in the regions where the clients of the Operating Subsidiaries are served or operate, our business, results of operations and financial condition could be materially and adversely affected. Considering the balance between infection risks and the resumption of economic and livelihood impetus, the Hong Kong government canceled isolation orders to infected persons beginning January 30, 2023. All mandatory mask-wearing requirements were lifted with effect beginning March 1, 2023. Starting April 1, 2023, Hong Kong terminated its pre-departure COVID-19 testing requirement for overseas travelers, ending all pandemic-related restrictions on visitors entering the city. We will continuously assess and adopt measures to offset any challenges created by the pandemic.

Quantitative and qualitative disclosures about market risk

We are subject to financial market risks, including changes in foreign currency exchange rate risk with respect to our investment at fair value consisting of short-term foreign exchange investment made by the Company which is denominated in the US\$. The fluctuation in US\$ may result in increase or decrease in the value of our investment at fair value. We consider the foreign exchange risk in relation to transactions denominated in US\$ with respect to HK\$ is not significant as HK\$ is pegged to US\$.

The trades of foreign currencies conducted by the Operating Subsidiaries are denominated in the US\$ and are paired with currencies with strong liquidity traded in highly transparent markets, including such currencies as the EURO, USD, GBP, CHF, AUD and CAD, etc. Fluctuation in exchange rates, changes in monetary and/or fiscal policy or inflation in the countries in which we paired our trades of foreign currencies could have a material adverse effect on our results of operations. The clear position limits and floating profit/loss limits are set to manage the market risks of our foreign exchange positions. For the years ended December 31, 2022, 2023 and 2024, we traded foreign currencies of transaction amounts of US\$1,448.7 million, US\$4.1 million and US\$ nil, respectively, while we had realized loss on disposal of financial assets at fair value and change in fair value on financial assets at fair value in the aggregate amount of HK\$1,157,650, HK\$9,965 and HK\$ nil (US\$ nil), respectively. The realized loss on disposal of financial assets at fair value and change in fair value on financial assets at fair value represented 0.01025%, 0.0313% and 0% of our trading transaction amounts of foreign currencies for the years ended December 31, 2022, 2023 and 2024, respectively. To minimize the risk of volatility of foreign currencies in the financial and currency market, we did not initiate any trades of foreign currencies during the year ended December 31, 2024.

The transaction details of each foreign currency pair were set out below:

Foreign currency pair	For the years ended December 31,					
	2022	2023	2024	2022	2023	2024
	Transaction in carrying amounts			Transaction in notional amounts		
	US\$	US\$	US\$	US\$	US\$	US\$
AUD/USD	448	2,724	-	223,814	272,445	-
EUR/USD	2,499,003	4,447	-	304,063,579	635,163	-
GBP/USD	3,681,794	10,474	-	495,241,194	1,594,119	-
USD/CAD	2,449,540	7,262	-	332,836,000	1,088,000	-
USD/CHF	1,774,770	3,500	-	209,368,000	482,000	-
USD/JPY	19,670	-	-	2,018,000	-	-
XAU/USD	900,640	-	-	104,858,886	-	-
Others	120	-	-	60,064	-	-
	<u>11,325,985</u>	<u>28,407</u>	<u>-</u>	<u>1,448,669,537</u>	<u>4,071,727</u>	<u>-</u>

Recent Developments

On May 20, 2024, the Company entered into a business development and marketing consulting agreement (the “Malaysia Consulting Agreement”) with CAKL Holdings Sdn Bhd, a Malaysian company that specializes in marketing and business development in Malaysia (the “Malaysian Consultant”).

On May 22, 2024, the Company entered into a business development and marketing consulting agreement (the “China Consulting Agreement,” together with the Malaysia Consulting Agreement, the “Consulting Agreements”) with Shenzhen Yijincheng Business Consulting Co., Ltd., a Chinese company that specializes in marketing and business development in China (the “Chinese Consultant”, together with the Malaysian Consultant, the “Consultants”).

In addition to its efforts to expand its market in China, the Company intends to explore its developing a presence in Southeast Asia. Pursuant to the Consulting Agreements, the Consultants will provide consulting services to the Company, including, but not limited to, assisting it in business expansion and evaluation of marketing strategy, formulating and executing sales strategies, conducting market research and data collection to support its business planning, providing professional planning and advertising promotion schemes to attract potential clients for it, negotiating joint market development programs with clients from Southeast Asia regions and China on behalf of it, communicating with relevant government agencies on behalf of it to obtain necessary approvals, assisting it in negotiating contracts with potential clients and other matters related to sales and business expansion. The total service fee for the Consulting Agreements is US\$ 1.6 million (approximately HK\$12.5 million), which will be amortized over the service period from the last week of May 2024 through May 2026. As a result of these marketing arrangements, our selling and marketing expenses rose by HK\$ 4.0 million during the year ended December 31, 2024.

Results of Operations

Comparison of year ended December 31, 2022 with year ended December 31, 2023

The following table sets forth key components of our results of operations for the years ended December 31, 2022 and 2023:

	For the years ended December 31,			Variance HK\$	% of variance
	2022	2023	2023		
	HK\$	HK\$	US\$		
Revenue	34,931,827	31,961,177	4,091,869	(2,970,650)	-8.5%
Cost of revenue	16,512,702	13,995,670	1,791,813	(2,517,032)	-15.2%
Gross profit	18,419,125	17,965,507	2,300,056	(453,618)	-2.5%
Operating expenses					
Selling and marketing expenses	161,791	160,976	20,609	(815)	-0.5%
Research and development expenses	80,012	11,373	1,456	(68,639)	-85.8%
General and administrative expenses	10,634,851	11,110,942	1,422,492	476,091	4.5%
Total operating expenses	10,876,654	11,283,291	1,444,557	406,637	3.7%
Income from operations	7,542,471	6,682,216	855,499	(860,255)	-11.4%
Other income (expense)					
Other income, net	1,265,200	457,941	58,628	(807,259)	-63.8%
Realized loss on disposal of financial assets at fair value	-	(7,874)	(1,008)	(7,874)	N/A
Change in fair value on financial assets at fair value	(1,157,650)	(2,091)	(268)	1,155,559	-99.8%
Interest expenses, net	(443,577)	(353,002)	(45,194)	90,575	-20.4%
Total other (expense) income, net	(336,027)	94,974	12,158	431,001	-128.3%
Income before income taxes	7,206,444	6,777,190	867,657	(429,254)	-6.0%
Income tax expenses	(387,845)	(148,309)	(18,987)	239,536	-61.8%
Net income	6,818,599	6,628,881	848,670	(189,718)	-2.8%
Other comprehensive income					
Foreign currency translation adjustment	7,496	17,866	2,287	10,370	138.3%
Comprehensive income	6,826,095	6,646,747	850,957	(179,348)	-2.6%

Revenue

The following table sets forth the breakdown of our revenue by major revenue type for the years ended December 31, 2022 and 2023, respectively:

	For the years ended December 31,			Variance HK\$	% of variance
	2022	2023	2023		
	HK\$	HK\$	US\$		
Initial set up, installation and customization services	7,140,076	8,973,079	1,148,789	1,833,003	25.7%
Subscriptions	11,414,976	11,445,019	1,465,263	30,043	0.3%
Hosting, support and maintenance services	4,186,369	4,338,184	555,401	151,815	3.6%
Liquidity services	6,699,586	2,626,516	336,263	(4,073,070)	-60.8%
White label services	1,889,188	2,122,198	271,697	233,010	12.3%
Quotes/news/package subscription services	3,601,632	2,456,181	314,456	(1,145,451)	-31.8%
Total revenue	34,931,827	31,961,177	4,091,869	(2,970,650)	-8.5%

Our revenue decreased by HK\$2,970,650 or 8.5% from HK\$34,931,827 for the year ended December 31, 2022 to HK\$31,961,177 for the year ended December 31, 2023, primarily because of the decrease in our revenue derived from our Operating Subsidiaries' (i) liquidity services; and (ii) quotes/news/package subscription services, and was partially offset by the increase in revenue derived from our Operating Subsidiaries' (i) initial set up, installation and customization services; (ii) white label services; and (iii) hosting, support and maintenance services.

Revenue from our Operating Subsidiaries' initial set up, installation and customization services increased by HK\$1,833,003, or 25.7%, from HK\$7,140,076 for the year ended December 31, 2022 to HK\$8,973,079 for the year ended December 31, 2023. The increase was mainly due to the increase in demand for our Operating Subsidiaries' customization services provided to customers to customize the functions and features of the trading platforms during the year ended December 31, 2023. The increase in demand for our Operating Subsidiaries' customization services was mainly due to the growing need for implementing our customized trading platforms, which are one of our unique offerings to clients. This service sets us apart from our competitors and enhances our platform solution by adding unique features and functions, as well as usability, and flexibility.

Revenue from our Operating Subsidiaries' hosting, support and maintenance services increased by HK\$151,815, or 3.6%, from HK\$4,186,369 for the year ended December 31, 2022 to HK\$4,338,184 for the year ended December 31, 2023. The increase was mainly due to the increase in customers for our hosting, support and maintenance services for the year ended December 31, 2023. We believe that the Operating Subsidiaries realized an increase in the number of customers because of the referral of new customers from existing customers.

Revenue from our Operating Subsidiaries' liquidity services decreased by HK\$4,073,070, or 60.8%, from HK\$6,699,586 for the year ended December 31, 2022 to HK\$2,626,516 for the year ended December 31, 2023. The decrease was mainly due to a customer who was engaging in in-house research on a trading signal and was developing new trading signals to replace the existing one. During the testing phase, the trading volume will be kept at a lower level until they have optimized the new trading signals. A trading signal is generated from algorithms with inputs such as technical patterns, moving average crosses, trading volume surges and interest rates. When a trading signal is triggered, a signal to buy or sell a futures contract is generated. It requires our Operating Subsidiaries' liquidity services, which provide automatic hedging functions to enable such client to send its customers' orders directly to a broker's platform.

Revenue from our Operating Subsidiaries' white label services increased by HK\$233,010, or 12.3%, from HK\$1,889,188 for the year ended December 31, 2022 to HK\$2,122,198 for the year ended December 31, 2023. The increase was mainly due to the increase in customers for our white label services for the year ended December 31, 2023.

Revenue from our Operating Subsidiaries' quotes/news/package subscription services decreased by HK\$1,145,451, or 31.8%, from HK\$3,601,632 for the year ended December 31, 2022 to HK\$2,456,181 for the year ended December 31, 2023. The decrease was mainly due to customers subscribed for fewer quotes/new/package services for the year ended December 31, 2023.

Cost of revenue

The following table sets forth the breakdown of our cost of revenue for the years ended December 31, 2022 and 2023:

	For the years ended December 31,			Variance HK\$	% of variance
	2022	2023	2023		
	HK\$	HK\$	US\$		
Internet services cost	1,727,305	1,575,284	201,678	(152,021)	-8.8%
Employee-related costs	6,886,855	6,253,858	800,658	(632,997)	-9.2%
Subscription costs	171,228	123,361	15,793	(47,867)	-28.0%
Outsourcing fees	752,904	223,915	28,667	(528,989)	-70.3%
Amortization of intangible assets	6,160,391	5,514,165	705,958	(646,226)	-10.5%
Commission expenses	808,894	275,965	35,331	(532,929)	-65.9%
Others	5,125	29,120	3,728	23,995	468.2%
Total cost of revenue	16,512,702	13,995,670	1,791,813	(2,517,032)	-15.2%

Our cost of revenue decreased by HK\$2,517,032 or 15.2% from HK\$16,512,702 for the year ended December 31, 2022 to HK\$13,995,670 for the year ended December 31, 2023, which was mainly due to (i) the decrease in employee-related costs because lesser staff costs were allocated for supporting our financial trading solution services for the year ended December 31, 2023 in view of the decrease in revenue for the same period, (ii) decrease in the amortization of intangible assets due to part of the intangible assets we developed being fully amortized, (iii) the decrease in outsourcing fees and (iv) the decrease in commission expenses.

Internet service cost

Internet service cost represented cost in relation to server hosting service provided by data center service providers as well as acquiring internet data line from various service providers for internet access.

Employee-related costs

Employee-related costs consisted primarily of payroll and other personnel-related expenses of our Operating Subsidiaries' staff to support our financial trading solution services.

Subscription costs

Our subscription costs represented costs incurred by the Operating Subsidiaries for subscription payments for price or news feeds from news and financial market information providers. We will convert the raw data into usable data that can be used in our trading platform. The decrease in subscription costs was due to a cancelled subscription from a financial market information provider.

Outsourcing fees

The Operating Subsidiaries may outsource some works to our related party and independent third parties. The outsourcing costs mainly represented the charges and fees paid to subcontractors who handled implementation work for our Operating Subsidiaries. The outsourcing fees decreased as Operating Subsidiaries required fewer outsourcing services in the year ended December 31, 2023.

Amortization of intangible assets

Our amortization of intangible assets mainly represented amortization of the Operating Subsidiaries in-house developed financial trading solutions.

Commission expenses

Commission expenses represented the fees we paid to business partners of our Operating Subsidiaries, which bring new businesses to our Operating Subsidiaries. The commission is generally determined based on a certain percentage of revenue generated from customers referred by business partners.

Gross profit

Our total gross profit decreased by HK\$453,618 or 2.5% from HK\$18,419,125 for the year ended December 31, 2022 to HK\$17,965,507 for the year ended December 31, 2023. The decrease in our gross profit was primarily due to the decrease in our revenue for the same period. Our total gross profit margin increased from 52.7% for the year ended December 31, 2022 to 56.2% for the year ended December 31, 2023. The increase in our gross profit margin was primarily due to the decrease in outsourcing costs, since we used our own staff to handle more implementation works.

Operating expenses

Our operating expenses consisted of the following:

	For the years ended December 31,			Variance HK\$	% of variance
	2022 HK\$	2023 HK\$	2023 US\$		
Selling and marketing expenses	161,791	160,976	20,609	(815)	-0.5%
Research and development expenses	80,012	11,373	1,456	(68,639)	-85.8%
General and administrative expenses	10,634,851	11,110,942	1,422,492	476,091	4.5%
Total operating expenses	10,876,654	11,283,291	1,444,557	406,637	3.7%

Our selling and marketing expenses mainly represented the advertising cost and marketing expenses. Our selling and marketing expenses slightly decreased by HK\$815, or 0.5%, from HK\$161,791 for the year ended December 31, 2022 to HK\$160,976 for the year ended December 31, 2023, mainly because lesser marketing expenses were incurred during the year ended December 31, 2023.

Our research and development expenses primarily consisted of payroll and other personnel-related expenses of our Operating Subsidiaries' software development team. Our research and development expenses decreased by HK\$68,639, or 85.8%, from HK\$80,012 for the year ended December 31, 2022 to HK\$11,373 for the year ended December 31, 2023, because more staff costs were incurred at the project development stage rather than the preliminary project research stage for the year ended December 31, 2023. However, we expect that our expenditures for research and development may increase in terms of monetary value and may increase as a percentage of our total revenue over time, as the Operating Subsidiaries will expand their software development capacity to continue to improve existing functions and develop new functions.

Our general and administrative expenses mainly represented the staff costs, depreciation expenses of property and equipment, amortization of operating lease right-of-use assets, interest of lease liabilities and legal and professional fees. Our general and administrative expenses increased by HK\$476,091, or 4.5%, from HK\$10,634,851 for the year ended December 31, 2022 to HK\$11,110,942 for the year ended December 31, 2023, because the initial public offering expenses of HK\$3,367,160 were incurred in the year ended December 31, 2023. We expect our general and administrative expenses, including but not limited to staff costs, to increase in the foreseeable future, as our Operating Subsidiaries' business is expected to grow further. We expect our legal and professional fees for legal, audit, and advisory services to increase, as we will incur audit fees, legal fees and advisory fees for being a public company.

Other income (expenses)

Our other income (expenses) consists of the following:

	For the years ended December 31,			Variance HK\$	% of variance
	2022	2023	2023		
	HK\$	HK\$	US\$		
Other income					
Sundry income	174,026	82,103	10,511	(91,923)	-52.8%
Commission income	259,794	364,819	46,706	105,025	40.4%
Government subsidies	734,059	34,261	4,386	(699,798)	-95.3%
Others	145,342	29,719	3,805	(115,623)	-79.6%
Other income	1,313,221	510,902	65,408	(802,319)	-61.1%
Other expenses					
Other expenses	48,021	52,961	6,780	4,940	10.3%
Other expenses	48,021	52,961	6,780	4,940	10.3%
Total other income, net	1,265,200	457,941	58,628	(807,259)	-63.8%

Sundry income. The Operating Subsidiaries charged handling service fees for services provided to customers on using the multi-asset trading software by the MT4/MT5 (forex trading platforms) service providers. Some customers requested the Operating Subsidiaries to subscribe to such services from the MT4/MT5 service providers and they, in turn, charged such customers. The sundry income was the net amount of sundry income from providing such handling services after deducting the expenses it incurred over the same period. The decrease in sundry income was mainly due to the decrease in customers' requests for such service.

Commission Income. Commission income represented the commission income received from our related party for business referred by us. We would charge a commission fee at an agreed percentage from the business referred by us to our related party. The increase in commission income was mainly due to the increase in sales referred by us.

Government subsidies. Government subsidies primarily related to (i) one-off entitlements granted by the Hong Kong government pursuant to the Employment Support Scheme under the Anti-epidemic Fund ("ESS") and (ii) funds for participation in promotion activities in 2023. The Operating Subsidiaries received government subsidies that totaled HK\$734,059 and HK\$34,261 for the years ended December 31, 2022 and 2023, respectively. The government subsidies for ESS were recognized as other income when they were received because we have (i) not implemented redundancies during the subsidy period; and (ii) spent all the wage subsidies on paying wages to employees. The decrease in government subsidies was mainly due to the decrease in subsidies provided to combat the pandemic.

Realized loss on disposal of financial assets at fair value and change in fair value on financial assets at fair value.

Realized loss on disposal of financial assets at fair value and change in fair value on financial assets at fair value represents realized loss on disposal of and change in fair value on financial assets at fair value from certain investment agreements with certain brokerage companies to trade with foreign currencies, at fair value, with the intention to optimize a trading algorithm based on live market interactions. Algorithmic trading, also known as automated trading, is a type of trading that involves using computer programs to make trading decisions. These programs use advanced mathematical algorithms to analyze the market and execute trades automatically, without the need for human intervention. We believe that there will be increasing demand for algorithmic trading and more resources will be invested for enhancing the system. It appears that the clients engaged in leveraged foreign exchange trading prefer to enjoy the benefits brought along by information technology to obtain timely foreign exchange information, the latest market news and automated trading, and, hence, we have been enhancing our trading system's stability and security to provide clients a reliable and safe platform for round the clock trading. Therefore, we optimize our trading algorithm through live trading in the real foreign exchange market, which allows us to test and refine our system in real-world conditions. The trades of foreign currencies conducted by the Operating Subsidiaries are denominated in the USD and are paired with currencies with strong liquidity traded in highly transparent markets, including such currencies as the EURO, USD, GBP, CHF, AUD and CAD, etc. We clear position limits and floating profit/loss limits are set to manage foreign exchange positions. All daily positions were settled and denominated in USD. The change in fair value on financial assets at fair value was mainly due to the increased volatility in the financial and currency market.

Interest expenses, net

We incurred interest expenses on bank borrowings which totaled HK\$443,577 and HK\$483,623 for the years ended December 31, 2022 and 2023, respectively, with an annual effective interest rate of 3.3% and 4.9% during the years ended December 31, 2022 and 2023, respectively. We also recorded a bank interest income of HK\$7,826 and HK\$130,621 for the years ended December 31, 2022 and 2023, respectively. The increase in our bank interest income was due to the US Federal Reserve continued to raise interest rates.

Income tax expenses

British Virgin Islands

Under the current and applicable laws of BVI, the Company is not subject to tax on income or capital gains.

China

The Company's subsidiary, m-FINANCE Software (Shenzhen) Limited ("SZ WFOE") established in the PRC is subject to PRC Enterprises Income Tax rate of 25% for the years ended December 31, 2022 and 2023.

Hong Kong

In accordance with the relevant tax laws and regulations of Hong Kong, a company registered in Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. From year of assessment of 2018/2019 onwards, Hong Kong profit tax rates are 8.25% on assessable profits up to HK\$2,000,000, and 16.5% on any part of assessable profits over HK\$2,000,000.

Taxation in the statement of income represents:

	For the years ended December 31,			Variance HK\$	% of variance
	2022	2023	2023		
	HK\$	HK\$	US\$		
Current tax	229,355	(5,877)	(752)	(235,232)	-102.6%
Deferred tax	158,490	154,186	19,739	(4,304)	-2.7%
Total income tax expense	387,845	148,309	18,987	(239,536)	-61.8%

Our income tax decreased by HK\$239,536 from HK\$387,845 for the year ended December 31, 2022 to HK\$148,309 for the year ended December 31, 2023, primarily due to the decrease in income before income taxes.

Net income. As a result of the foregoing, we reported net income of HK\$6,818,599 and HK\$6,628,881 for the years ended December 31, 2022 and 2023, respectively.

Other comprehensive income). Income from foreign currency translation adjustment amounted to HK\$7,496 and HK\$17,866 for the years ended December 31, 2022 and 2023, respectively.

Comparison of year ended December 31, 2023 with year ended December 31, 2024

The following table sets forth key components of our results of operations for the years ended December 31, 2023 and 2024:

	For the years ended December 31,			Variance HK\$	% of variance
	2023	2024	2024		
	HK\$	HK\$	US\$		
Revenue	31,961,177	26,085,318	3,358,178	(5,875,859)	(18.4)%
Cost of revenue	13,995,670	13,783,124	1,774,415	(212,546)	(1.5)%
Gross profit	17,965,507	12,302,194	1,583,763	(5,663,313)	(31.5)%
Operating expenses					
Selling and marketing expenses	160,976	4,182,830	538,490	4,021,854	2,498.4%
Research and development expenses	11,373	172,810	22,247	161,437	1,419.5%
General and administrative expenses	11,110,942	27,317,790	3,516,844	16,206,848	145.9%
Total operating expenses	11,283,291	31,673,430	4,077,581	20,390,139	180.7%
Income (loss) from operations	6,682,216	(19,371,236)	(2,493,818)	(26,053,452)	(389.9)%
Other income (expenses)					
Other income (expenses), net	457,941	(159,145)	(20,488)	(617,086)	(134.8)%
Realized loss on disposal of financial assets at fair value	(7,874)	-	-	7,874	(100.0)%
Change in fair value on financial assets at fair value	(2,091)	-	-	2,091	(100.0)%
Interest (expense) income, net	(353,002)	101,148	13,022	454,150	(128.7)%
Total other income (expense), net	94,974	(57,997)	(7,466)	(152,971)	(161.1)%
Income (loss) before income taxes	6,777,190	(19,429,233)	(2,501,284)	(26,206,423)	(386.7)%
Income tax expenses	(148,309)	(781,759)	(100,642)	(633,450)	(427.1)%
Net income (loss)	6,628,881	(20,210,992)	(2,601,926)	(26,839,873)	(404.9)%
Other comprehensive income (loss)					
Foreign currency translation adjustment	17,866	3,964	32,528	(13,902)	(77.8)%
Comprehensive income (loss)	6,646,747	(20,207,028)	(2,569,398)	(26,853,775)	(404.1)%

Revenue

The following table sets forth the breakdown of our revenue by major revenue type for the years ended December 31, 2023 and 2024, respectively:

	For the years ended December 31,			Variance HK\$	% of variance
	2023	2024	2024		
	HK\$	HK\$	US\$		
Initial set up, installation and customization services	8,973,079	2,700,199	347,619	(6,272,880)	(69.9)%
Subscriptions	11,445,019	11,419,059	1,470,070	(25,960)	(0.2)%
Hosting, support and maintenance services	4,338,184	4,893,759	630,014	555,575	12.8%
Liquidity service	2,626,516	1,902,895	244,975	(723,621)	(27.6)%
White label service	2,122,198	3,018,561	388,604	896,363	42.2%
Quotes/news/package subscription services	2,456,181	2,150,845	276,896	(305,336)	(12.4)%
Total revenue	31,961,177	26,085,318	3,358,178	(5,875,859)	(18.4)%

Our revenue shrank by HK\$5,875,859, or 18.4%, from HK\$31,961,177 for the year ended December 31, 2023 to HK\$26,085,318 (US\$3,358,178) for the year ended December 31, 2024, primarily because of a plunge in our revenue from initial set up, installation and customization services, liquidity service and quotes/news/package subscription services, partially offset by an increase in our subscriptions, hosting, support and maintenance services, and white label service.

[Table of Contents](#)

Revenue from our initial set up, installation and customization services plummeted by HK\$6,272,880, or 69.9%, from HK\$8,973,079 for the year ended December 31, 2023 to HK\$2,700,199 for the same period in 2024. The decrease was mainly due to the decreased demand for customization services.

Liquidity service revenue also dropped by HK\$723,621, or 27.6%, from HK\$2,626,516 for the year ended December 31, 2023 to HK\$1,902,895 in the same period in 2024. The liquidity service fee is charged based on the transaction volume of orders sent directly to the liquidity providers. We experienced a lower transaction volume in the fiscal year ended December 31, 2024 compared to the same period in 2023.

Our quotes/news/package subscription services are value-added and optional services to our customers. Through the subscription of this service line, we offer financial strategy analysis, financial calendar, real-time quotes and financial information and news to our customers. Compared to HK\$2,456,181 in the year ended December 31, 2023, the quotes/news/package subscription services revenues for the same period in 2024 was HK\$2,150,845 (US\$276,896) with a decrement of HK\$305,336 or 12.4%. During the year ended December 31, 2024, our customers subscribed to the basic data feed service instead of premium service package.

Despite the decrease in the revenues from initial setup, installation and customization services, subscriptions, liquidity service and quotes/news/package subscription services, we experienced a growth in revenues from licensing, hosting, support and maintenance services and white label service.

Our hosting, support and maintenance services revenues increased by HK\$555,575, or 12.8%, from HK\$4,338,184 in the year ended December 31, 2023 to HK\$4,893,759 (US\$630,014) in the same period in 2024. During the fiscal year ended December 31, 2024, the number of customers of this service line increased by 16.7% compared to the same period in 2023. We provided hosting, support and maintenance services to our customers to whom we delivered the implementation of the new or customized trading platforms.

White label service revenue increased by HK\$896,363 or 42.2% from HK\$2,122,198 for the year ended December 31, 2023 to HK\$3,018,561 in the same period in 2024. The Company provides white label services to customers by allowing them to add additional labels or brands to the trading platform services. This provides customers the highest flexibility to operate their trading platform business based on their individual business development strategy or marketing needs at a lower operating cost.

Cost of revenue

The following table sets forth the breakdown of our cost of revenue for the years ended December 31, 2023 and 2024:

	For the years ended December 31,			Variance	% of variance
	2023	2024	2024		
	HK\$	HK\$	US\$	HK\$	
Internet services cost	1,575,284	1,441,293	185,550	(133,991)	(8.5)%
Employee-related costs	6,253,858	7,190,799	925,731	936,941	15.0%
Subscription costs	123,361	140,844	18,132	17,483	14.2%
Outsourcing fees	223,915	168,410	21,681	(55,505)	(24.8)%
Amortization of intangible assets	5,514,165	4,516,459	581,440	(997,706)	(18.1)%
Commission expenses	275,965	318,347	40,983	42,382	15.4%
Others	29,122	6,972	898	(22,150)	(76.1)%
Total cost of revenue	13,995,670	13,783,124	1,774,415	(212,546)	(1.5)%

Our cost of revenue decreased by HK\$212,546, or 1.5%, from HK\$13,995,670 for the year ended December 31, 2023 to HK\$13,783,124 for the year ended December 31, 2024, which was predominantly driven by a reduction in amortization of intangible assets and internet services cost by HK\$997,706 and HK\$133,991, respectively, partially offset by a spike in employee compensation and benefits by HK\$936,941.

Internet service cost

Internet service cost represented cost in relation to server hosting service provided by data center service providers as well as acquiring internet data lines from various service providers for internet access.

Employee-related costs

Employee-related costs consisted primarily of payroll and other personnel-related expenses of our staff to support our financial trading solution services. Our employee-related costs increased by HK\$936,941 or 15.0% from HK\$6,253,858 in the year ended December 31, 2023 to HK\$7,190,799 in the same period of 2024 as we offered a bonus and salary increase to our staff as an appreciation for the uplisting in the U.S. equity market.

Subscription costs

Our subscription costs represented costs incurred for subscription payments for price or news feeds from news and financial market information providers. We will convert the raw data into usable data that can be used in our trading platform. The increase in subscription costs was due to a higher subscription service fee from financial market information providers.

Outsourcing fees

We may outsource some works to our related party and independent third parties. The outsourcing costs mainly represented the charges and fees paid to subcontractors who handled implementation work for us. The outsourcing fees decreased as we required fewer outsourcing services in the year ended

December 31, 2024, which was in line with our decrease in revenue from initial set up, installation and customization services.

[Table of Contents](#)

Amortization of intangible assets

Our amortization of intangible assets mainly represented the amortization of our in-house labor cost for developing financial trading solutions. Our amortization of intangible assets for the same period in 2024 fell as part of the intangible assets we had developed in the past was fully amortized.

Commission expenses

Commission expenses represented the fees we paid to business partners that bring new businesses to us. The commission is generally determined based on a certain percentage of revenue generated from customers referred by business partners.

Gross profit

Our total gross profit decreased by HK\$5,663,313 or 31.5% from HK\$17,965,507 for the year ended December 31, 2023 to HK\$12,302,194 for the year ended December 31, 2024. The decrease in our gross profit was primarily due to the decrease in our revenue in 2024, particularly a shrink in demand for initial set up, installation and customization services. Our total gross profit margin decreased from 56.2% for the year ended December 31, 2023 to 47.2% for the year ended December 31, 2024. The shrink in our gross profit margin was primarily due to the decrease in revenue from our initial set up, installation and customization services.

Operating expenses

Our operating expenses consisted of the following:

	For the years ended December 31,			Variance	% of variance
	2023	2024	2024		
	HK\$	HK\$	US\$	HK\$	
Selling and marketing expenses	160,976	4,182,830	538,490	4,021,854	2,498.4%
Research and development expenses	11,373	172,810	22,247	161,437	1,419.5%
General and administrative expenses	11,110,942	27,317,790	3,516,844	16,206,848	145.9%
Total operating expenses	11,283,291	31,673,430	4,077,581	20,390,139	180.7%

Our selling and marketing expenses mainly represent the advertising, promotional and marketing expenses. Our selling and marketing expenses surged by HK\$4,021,854, or 2,498.4%, from HK\$160,976 for the year ended December 31, 2023 to HK\$4,182,830 for the year ended December 31, 2024. In May 2024, in order to boost our revenue, we contracted the Consultants to assist us in exploring new customers and planning our business strategy, marketing and promotional activities.

Our research and development expense pertains to the project research stage and primarily consists of payroll and other personnel-related expenses of our software development team. Our research and development expenses increased by HK\$161,437, or 1,419.50%, from HK\$11,373 for the year ended December 31, 2023 to HK\$172,810 (US\$22,247) for the year ended December 31, 2024. We expect that our expenditures for research and development may increase in terms of monetary value as we intend to expand their software development capacity to continue to improve existing functions and develop new functions.

Our general and administrative expenses include the depreciation expenses of property and equipment, employee compensations, insurance, legal and professional fees, office expenses, rent and utilities, travel, allowance for credit losses, and others. Our general and administrative expenses rose by HK\$16,206,848, or 145.9%, from HK\$11,110,942 for the year ended December 31, 2023 to HK\$27,317,790 (US\$3,516,844) for the year ended December 31, 2024, largely driven by a surge in employee compensation and benefits of HK\$8,476,269, insurance of HK\$1,456,280, legal and professional fees of HK\$5,097,600 and travel by HK\$1,190,142. During the year ended December 31, 2024, we offered an appreciation bonus and compensation increase to our executives and staff. We also incurred additional insurance coverage costs for our directors and executives as well as audit fees, legal fees, transfer agent fee, investor relations, printing, and advisory fees subsequent to the completion of initial public offerings. Our travel expenses also increased during the year ended December 31, 2024, as our executives traveled for conferences, business meetings and IPO events in the U.S.

Other income (expenses)

Our other income (expenses) consists of the following:

	For the years ended December 31,			Variance	% of variance
	2023	2024	2024		
	HK\$	HK\$	US\$	HK\$	
Other income					
Sundry income	82,103	29,275	3,769	(52,828)	(64.3)%
Commission income	364,819	-	-	(364,819)	(100.0)%
Government subsidies	34,261	-	-	(34,261)	(100.0)%
Others	29,719	65	8	(29,654)	(100.0)%
Other income	510,902	29,340	3,777	(481,562)	(94.3)%
Other expenses					
Other expenses	52,961	188,485	24,265	135,524	255.9%
Other expenses	52,961	188,485	24,265	135,524	255.9%

Total other income (expenses), net	457,941	(159,145)	(20,488)	(617,086)	(134.8)%
57					

Sundry income. The Operating Subsidiaries charged handling service fees for services provided to customers using the multi-asset trading software by the MT4/MT5 (forex trading platforms) service providers. Some customers requested the Operating Subsidiaries to subscribe to such services from the MT4/MT5 service providers and they, in turn, charged such customers. The sundry income was the net amount of sundry income from providing such handling services after deducting the expenses it incurred over the same period. The decrease in sundry income was mainly due to the fall in customers' requests for such service.

Commission Income. Commission income represented the commission income received from our related party for business referred by us. We would charge a commission fee at an agreed percentage from the business referred by us to our related party. The decrease in commission income was mainly due to the decrease in sales referred by us in fiscal year 2024.

Government subsidies. Government subsidies primarily related to (i) one-off entitlements granted by the Hong Kong government pursuant to the Employment Support Scheme under the Anti-epidemic Fund ("ESS") and (ii) funds for participation in promotion activities in 2023. The Operating Subsidiaries received government subsidies that totaled HK\$34,261 and HK\$nil for the years ended December 31, 2023 and 2024, respectively. The government subsidies for ESS were recognized as other income when they were received because we have (i) not implemented redundancies during the subsidy period; and (ii) spent all the wage subsidies on paying wages to employees. As the COVID-19 restrictions were released by the end of 2023, such government subsidies were no longer available in 2024.

Interest expenses, net

We incurred interest expenses on bank borrowings, which totalled HK\$483,623 and HK\$325,084 for the years ended December 31, 2023 and 2024, respectively, with an annual effective interest rate of 4.9% and 3.7% during the years ended December 31, 2023 and 2024, respectively. Our interest expense for the year ended December 31, 2024 was lower compared to the same period in 2023. Our lenders lowered the interest rate on our borrowings following the U.S. Federal Reserve slashing of the interest rate in September 2024. We also recorded interest income of HK\$130,621 and HK\$426,232 on bank deposits for the years ended December 31, 2023 and 2024, respectively. We earned higher bank interest income on fixed deposit accounts from the IPO proceeds we received in April 2024.

Income tax expenses

British Virgin Islands

Under the current and applicable laws of BVI, the Company is not subject to tax on income or capital gains.

China

The Company's subsidiary, m-FINANCE Software (Shenzhen) Limited ("SZ WFOE") established in the PRC is subject to PRC Enterprises Income Tax rate of 25% for the year ended December 31, 2023. SZ WFOE was deregistered on March 21, 2023.

Hong Kong

In accordance with the relevant tax laws and regulations of Hong Kong, a company registered in Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. From year of assessment of 2018/2019 onwards, Hong Kong profit tax rates are 8.25% on assessable profits up to HK\$2,000,000, and 16.5% on any part of assessable profits over HK\$2,000,000.

Taxation in the statement of income represents:

	For the years ended December 31,			Variance HK\$	% of variance
	2023	2024	2024		
	HK\$	HK\$	US\$		
Current tax	(5,877)	-	-	5,877	100.0%
Deferred tax	154,186	781,759	100,642	627,573	407.0%
Total income tax expense	148,309	781,759	100,642	633,450	427.1%

Our income tax increased by HK\$633,450 from HK\$148,309 for the year ended December 31, 2023 to HK\$781,759 for the year ended December 31, 2024, primarily due to the tax depreciation and a full valuation allowance against the net operating loss carryforward.

Net income (loss). As a result of the foregoing, we reported net income of HK\$6,628,881 for the years ended December 31, 2023 while net loss of HK\$20,210,992 for the same period in 2024.

Other comprehensive income(loss). Income from foreign currency translation adjustment amounted to HK\$17,866 and HK\$3,964 for the years ended December 31, 2023 and 2024, respectively.

B. Liquidity and Capital Resources

As of the date of this annual report, we have financed our Operating Subsidiaries' operations primarily through cash flows from operations and loans from banks. We plan to support our future operations primarily from cash generated from our operations and the net proceeds raised from our IPO.

As of December 31, 2024, we had cash and restricted cash in aggregate of HK\$21,999,787 (US\$2,832,213) compared to HK\$6,810,418 as of December 31, 2023. We raised HK\$44,376,168 (US\$5,689,251), net of total IPO costs and an indemnity escrow in April 2024. In order to expand our market share and boost

our sales in Asia, we entered into the Malaysia Consulting Agreement with the Malaysian Consultant and the China Consulting Agreement with the China Consultant, respectively, in May 2024. The total service fee for the Consulting Agreements is US\$ 1.6 million (approximately HK\$12.5 million), which will be amortized over the service period from the last week of May 2024 through May 2026. We generated a positive working capital of HK\$16,962,651 (US\$2,183,741) during the year December 31, 2024 compared to the negative working capital of HK\$2,077,323 as of December 31, 2023, mainly due to the IPO proceeds received during fiscal year 2024.

We had an outstanding bank borrowing balance of HK\$6,059,686 (US\$780,113) as of December 31, 2024, of which HK\$4,012,047 (US\$516,504) will be payable within 12 months, and the remaining balance will be due in 15 months through 23 months following December 31, 2024. The effective interest rate for the year ended December 31, 2024 was 3.69%.

As of December 31, 2023, we had cash in aggregate of HK\$6,810,418 as compared to HK\$12,063,731 as of December 31, 2022. We had positive working capital that amounted to HK\$3,618,321 as of December 31, 2022 as compared to negative working capital of HK\$2,077,323 as of December 31, 2023. We believe such negative working capital was temporary, as (i) we had generated net cash provided by operating activities for each of the years ended December 31, 2022 and 2023; (ii) non-recurring nature of the payment dividend which was made at the discretion of the board of directors and the deferred IPO costs were not expected to increase significantly for the year of 2024; and (iii) we generated net income for each of the fiscal years ended December 31, 2022 and 2023. Our working capital requirements were influenced by the size of the operations, the volume and dollar value of the sales contracts of our Operating Subsidiaries, the progress of execution of our customer contracts, and the timing for collecting accounts receivable, and payment of accrued expenses.

On March 27, 2023, the Company declared an interim dividend of HK\$0.218 per share (equivalent to US\$0.028 per share), or HK\$2,528,413 in aggregate (equivalent to US\$324,093), to its shareholder, which was settled in cash on the same day. On July 31, 2023, the Company declared an interim dividend of HK\$0.242 per share (equivalent to US\$0.031 per share), or HK\$2,800,800 in aggregate (equivalent to US\$359,008), to its shareholder, which was settled in cash on the same day.

As of December 31, 2023, we had an outstanding bank borrowing balance of HK\$9,926,756, of which the bank borrowings of HK\$3,863,852 that would be payable within one year and the bank borrowings of HK\$6,062,904 that would be payable after one year but within 5 years. The bank borrowings had an annual effective interest rate of 4.87%.

For the years ended December 31, 2022, 2023 and 2024, we had realized loss on disposal of financial assets at fair value and change in fair value on financial assets at fair value in the aggregate amounts of HK\$1,157,650, HK\$9,965 and HK\$nil, respectively, from trading in foreign currencies, at fair value, with the intention to optimize a trading algorithm based on live market interactions. Algorithmic trading, also known as automated trading, is a type of trading that involves using computer programs to make trading decisions. These programs use advanced mathematical algorithms to analyze the market and execute trades automatically, without the need for human intervention. We believe that there will be increasing demand for algorithmic trading and more resources will be invested for enhancing the system. It appears that the clients engaged in leveraged foreign exchange trading prefer to enjoy the benefits brought along by information technology to obtain timely foreign exchange information, the latest market news and automated trading, and, hence, we have been enhancing our trading system's stability and security to provide clients a reliable and safe platform for round the clock trading. Therefore, we optimize our trading algorithm through live trading in the real foreign exchange market, which allows us to test and refine our system in real-world conditions. The trades of foreign currencies conducted by the Operating Subsidiaries are denominated in the USD and are paired with currencies with strong liquidity traded in highly transparent markets, including such currencies as the EURO, USD, GBP, CHF, AUD and CAD, etc. We clear position limits and floating profit/loss limits are set to manage foreign exchange positions. The change in fair value on financial assets at fair value was mainly due to the increased volatility in the financial and currency market in 2022 and 2023. For the years ended December 31, 2022, 2023 and 2024, we traded foreign currencies of monthly average transaction amounts of US\$120.7 million, US\$0.3 million and US\$nil, respectively. To minimize the risk of volatility of foreign currencies in the financial and currency market, we lowered our trading in foreign currencies for the year ended December 31, 2023, and did not initiate any trades of foreign currencies in the year ended December 31, 2024. The monthly average number of transactions were 2,384 trades, 250 trades and nil for the years ended December 31, 2022, 2023 and 2024 respectively.

We believe that our current cash and cash flows provided by operating activities, loans from banks, and the net proceeds from our IPO will be sufficient to meet our working capital needs in the next 12 months from the date of this annual report. If we experience an adverse operating environment or incur unanticipated capital expenditure requirements, or if we determine to accelerate our growth, then additional financing may be required. No assurance can be given, however, that additional financing, if required, would be available at all or on favorable terms. Such financing may include the use of additional debt or the sale of additional equity securities. Any financing which involves the sale of equity securities or instruments that are convertible into equity securities could result in immediate and possibly significant dilution to our existing shareholders.

The following table sets forth a summary of our cash flows for the periods indicated:

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Net cash provided by (used in) operating activities	13,496,487	11,324,808	(21,877,518)	(2,816,473)
Net cash used in investing activities	(2,125,093)	(5,685,740)	(8,430,509)	(1,085,329)
Net cash (used in) provided by financing activities	(9,403,066)	(10,887,289)	45,493,432	5,825,558
Effect of exchange rate changes on cash	13,820	(5,092)	3,964	31,696
Net increase (decrease) in cash	1,982,148	(5,253,313)	15,189,369	1,955,452
Cash at the beginning of year	10,081,583	12,063,731	6,810,418	876,761
Cash at the end of year	12,063,731	6,810,418	21,999,787	2,832,213

Operating activities

Net cash used in operating activities was HK\$21,877,518 for the year ended December 31, 2024, which was attributable to the following: (i) net loss of HK\$20,210,992 for the year ended December 31, 2024; (ii) non-cash adjustments of HK\$7,782,656 inclusive of depreciation of property and equipment, \$96,880, amortization of intangible assets, HK\$4,516,459, amortization of right-of-use assets, HK\$1,494,383, provision for credit loss, HK\$893,175 and deferred tax expense, HK\$781,759; and (iii) a decrease in operating assets and liabilities of HK\$9,449,182 which was driven by an increase in prepaid expenses related to two business development and marketing service agreements, HK\$13,373,781, deposit payment, HK\$13,300, income tax payment, HK\$124,069 and lease payments, HK\$1,500,000, offset by customer collections, HK\$668,920, an increase in accrued expenses, HK\$738,576 and an increase in advance receipts from customers, HK\$4,154,472.

Net cash provided by operating activities amounted to HK\$11,324,808 for the year ended December 31, 2023, mainly derived from (i) net income of HK\$6,628,881 for the year ended December 31, 2023; (ii) various non-cash items of HK\$8,444,393, such as amortization of intangible assets of HK\$5,514,165, amortization of right-of-use assets and interest of lease liabilities of HK\$1,633,106, allowance for credit losses of HK\$998,020 and depreciation of property and equipment of HK\$134,951; and (iii) changes in operating assets and liabilities of HK\$3,734,567. Changes in operating assets and liabilities mainly included (i) an increase in accounts receivable of HK\$2,444,125, which was mainly due to more billing to customers based on services provided closer to the year ended December 31, 2023; (ii) a decrease in operating lease liabilities of HK\$1,659,126, mainly due to the recognition of operating lease expenses on a straight-line basis over the lease term; and (iii) an increase in contract liabilities of HK\$420,517 due to more advances received from customers under the new projects.

Net cash provided by operating activities amounted to HK\$13,496,487 for the year ended December 31, 2022, mainly derived from (i) net income of HK\$6,818,599 for the year ended December 31, 2022; (ii) various non-cash items of HK\$9,891,062, such as amortization of intangible assets of HK\$6,160,391, amortization of right-of-use assets and interest of lease liabilities of HK\$1,695,259, change in fair value on financial assets at fair value of HK\$1,157,650, depreciation of property and equipment of HK\$222,173 and deferred tax expenses of HK\$158,490; and (iii) changes in operating assets and liabilities of HK\$3,213,174. Changes in operating assets and liabilities mainly included (i) a decrease in operating lease liabilities of HK\$1,663,674, mainly due to the recognition of operating lease expenses on a straight-line basis over the lease term; (ii) a decrease in contract liabilities of HK\$1,275,002, due to the completion of projects near the year end; (iii) an increase in accounts receivable of HK\$949,239, which was mainly due to more billing to customers based on services provided closer to the year end of December 31, 2022; (iv) a decrease in prepaid expenses and other current assets of HK\$520,618, which was mainly due to the refund of a rental deposit for the expired lease and the timing of payments for internet service costs; and (v) an increase in tax payable of HK\$229,355, which was primarily due to income tax expense accrued in the year ended December 31, 2022.

Investing activities

Net cash used in investing activities was HK\$8,430,509 for the year ended December 31, 2024, inclusive of purchases of computer servers and equipment of HK\$463,476 and additional labor costs for product and software development of HK\$7,967,033.

Net cash used in investing activities amounted to HK\$5,685,740 for the year ended December 31, 2023, representing costs to obtain and develop software of HK\$7,270,898 and purchase of property and equipment of HK\$48,157, and was partially offset by disposals of financial assets at fair value of HK\$1,633,315 during the year ended December 31, 2023.

Net cash used in investing activities amounted to HK\$2,125,093 for the year ended December 31, 2022, representing costs to obtain and develop software of HK\$5,993,675, purchases of financial assets at fair value of HK\$156,000 and purchase of property and equipment of HK\$41,721, and was partially offset by disposals of financial assets at fair value of HK\$4,068,302 during the year ended December 31, 2022.

Financing activities

Net cash provided by financing activities was HK\$45,493,432 for the year ended December 31, 2024, which was driven by proceeds from the IPO of HK\$58,500,012, offset by payments for deferred IPO costs of HK\$9,139,510 and repayment of bank borrowings of HK\$3,867,070.

Net cash used in financing activities amounted to HK\$10,887,289 for the year ended December 31, 2023, which included the dividend paid to a shareholder of HK\$5,329,213, repayment of bank borrowings of HK\$3,693,642 and an increase in deferred IPO costs of HK\$1,864,434.

Net cash used in financing activities amounted to HK\$9,403,066 for the year ended December 31, 2022, which included the dividend paid to a shareholder of HK\$10,000,000, an increase in deferred initial public offering costs of HK\$3,119,900 and repayment of bank borrowings of HK\$2,396,598, and was offset by the repayments from the related parties of HK\$6,117,332 during the year ended December 31, 2022.

Off-balance sheet arrangements

We did not have, during the periods presented, nor do we currently have, any off-balance sheet financing arrangements or any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities, that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2024:

	Payments due by period		
	Total	Less than 1 year	1-3 years
	HK\$	HK\$	HK\$
Bank borrowings	6,228,431	4,158,599	2,069,832
Operating lease obligation	1,608,750	1,485,000	123,750
	<u>7,837,181</u>	<u>5,643,599</u>	<u>2,193,582</u>

	Payments due by period		
	Total	Less than 1 year	1-3 years
	US\$	US\$	US\$
Bank borrowings	801,838	535,371	266,467
Operating lease obligation	207,107	191,176	15,931
	<u>1,008,945</u>	<u>726,547</u>	<u>282,398</u>

Capital expenditures

For the years ended December 31, 2022, 2023 and 2024, we purchased HK\$41,721, HK\$48,157 and HK\$463,476, respectively, of property and equipment mainly for use in our Operating Subsidiaries' operations. For the years ended December 31, 2022, 2023 and 2024, we purchased HK\$1,999, nil and nil, respectively, of intangible assets mainly for use in our Operating Subsidiaries' operations. During the year ended December 31, 2024, we purchased additional computer equipment, servers and computer storage to improve the system performance of our financial trading solution platforms. Subsequent to December 31, 2024 and as of the date of this annual report, we did not purchase any material property and equipment, and intangible assets for operational use. We do not have any other material commitments to capital expenditures as of December 31, 2024 or as of the date of this annual report.

Inflation

Inflation did not materially affect the business or the results of operations of our Operating Subsidiaries.

Seasonality

The nature of our Operating Subsidiaries' business does not appear to be affected by seasonal variations.

C. Research and Development, Patents and Licenses, etc.

See "Item 4. Information on the Company — B. Business Overview — Research and Development" and "Item 4. Information on the Company — B. Business Overview — Properties — Intellectual Property."

D. Trend Information

The financial trading solutions services provided by the Operating Subsidiaries are affected by the capital market in Hong Kong. Any material deterioration in the financial trading industry and capital market in Hong Kong could materially and adversely affect the business and prospects of our Operating Subsidiaries. The Hong Kong financial and capital market is susceptible to global factors, including, but not limited to, interest rate fluctuations, volatility of foreign currency exchange rates and monetary policy changes. When there are unfavorable changes to global or local economic conditions, the financial and securities market in Hong Kong may be negatively affected.

Other than as disclosed under this subheading and elsewhere in this annual report, we are not aware of any other trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material effect on our net revenue, income from continuing operations, profitability, liquidity, or capital resources, or that would cause reported financial information to not necessarily be indicative of future operating results or financial condition.

E. Critical Accounting Estimates

Our discussion and analysis of our financial condition and results of operations relates to our consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and related disclosures. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

Our critical accounting policies and practices include the following: (i) revenue recognition and (ii) intangible assets. For a detailed discussion of our significant accounting policies and related judgments, please see “Note 2 – Summary of Significant Accounting Policies” of the Notes to Consolidated Financial Statements. You should read the following description of critical accounting estimates in conjunction with our consolidated financial statements and other disclosures included in this annual report.

Provision for credit losses

We carry accounts receivable, prepaid expenses and deposits at the face amounts less a reserve for estimated credit losses. We estimated our reserve for credit losses using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. To reflect the cumulative effects of the adoption of ASC 326, we recorded the balance of the reserve for credit losses was HK\$497,099 as of January 1, 2023 and there is no material impact over the initial adoption of CECL model. During the year ended December 31, 2023, we recorded HK\$998,020 adjustments for credit losses on the consolidated financial statement related to accounts receivable. As of December 31, 2023, the reserves for credit losses related to our accounts receivable, prepaid expenses-current and deposits-noncurrent were HK\$1,495,119, nil and nil, respectively. During the year ended December 31, 2024, we recorded HK\$789,993 (US\$101,702), HK\$100,154 (US\$12,893), HK\$3,028 (US\$390) provision for credit losses related to our accounts receivable, prepaid expenses and deposits, respectively, on the consolidated statements of operations and comprehensive income (loss). As of December 31, 2024, the reserves for credit loss for our accounts receivable, prepaid expenses-current, prepaid expenses-noncurrent, deposits-current and deposits-noncurrent were HK\$966,947 (US\$124,483), HK\$78,819 (US\$10,147), HK\$21,335 (US\$2,747), HK\$90 (US\$12), and HK\$2,938 (US\$378), respectively.

Impairment assessment for the internally developed software

For the years ended December 31, 2022, 2023 and 2024, we capitalized the research and development costs of HK\$5,993,675, HK\$7,270,898 and HK\$7,967,033, respectively, as intangible assets. Our internally developed software is amortized over its estimated useful lives and is reviewed for impairment if indicators of impairment arise. Indicators we reviewed included whether there was a significant change in the business environment as a whole, a significant adverse change in the extent or manner in which our assets are being used, a significant adverse change in legal factors affecting our assets and a cash flow loss. In performing its qualitative assessment, our management assessed that there is no impairment on any in progress projects or finalized projects due to continue business growth and the business is profitable. We did not recognize any impairment on intangible assets and in preparing its financial statements for the periods presented and we did not consider it reasonably likely these considerations would change significantly based upon our current outlook, the assessment of the recoverability of intangible assets did not involve a significant level of estimation uncertainty that had, or was reasonably likely to have had, a material impact on the financial condition or results of our operations for the years ended December 31, 2022, 2023 and 2024.

Recently accounting pronouncements

See the discussion of the recent accounting pronouncements contained in the notes to the consolidated financial statements, “Note 2 – Summary of Significant Accounting Policies.”

Item 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**A. Directors and Senior Management**

The following table sets forth information regarding our directors and executive officers as of the date of this annual report. The business address of all of our directors and executive officers is Unit 1801, Fortis Tower, 77-79 Gloucester Road, Wan Chai, Hong Kong.

<i>Directors and Executive Officers</i>	<i>Age</i>	<i>Position/Title</i>
Tai Wai (Stephen) Lam	58	Chairman and Executive Director
Chi Weng Tam	53	Executive Director and Chief Executive Officer
Yun Pan Lau	50	Chief Financial Officer
Sum (Philip) Cheng	60	Independent Director
Lai Sum (Christina) Liu	71	Independent Director
Cheuk Ho Chan	58	Independent Director

The following is a brief biography of each of our current directors and executive officers:

Mr. Tai Wai (Stephen) Lam is the co-founder, chairman, and executive director of our Company. He joined m-FINANCE Limited in 2003 as Chief Technology Officer and is currently serving as the Managing Director of m-FINANCE. He has over 30 years of experience in Information Technology and business management, covering fields of software development, business consulting, financial technology, and e-commerce. Prior to joining m-FINANCE, Mr. Lam was the Senior Information Technology Manager of the Hong Kong SAR Government and had led several e-Government projects. Mr. Lam used to hold senior positions in commercial firms, including Senior Consultant of World-wide Professional Services in Canada of Netscape Communications Corporation, Senior Consultant Manager of SINA.com, Technical Director of 36.com Holdings Limited (previously a listed company on the Hong Kong Stock Exchange). Mr. Lam obtained a Master of Business Administration from the University of Western Sydney, Australia in 2003 and a Bachelor of Science degree in Computational Science and Management Studies from the University of Leeds, United Kingdom in 1989.

Mr. Chi Weng Tam is the co-founder, executive director, and Chief Executive Officer of our Company. He is an accomplished executive with over 25 years of experience in the IT and Finance industries. In his role, Mr. Tam is responsible for overseeing the day-to-day management of our Operating Subsidiaries, including business operations, business development, sales and marketing, strategic planning, policy settings, as well as supervising human resources and administrative functions. He joined our operating subsidiary, m-FINANCE Limited, in November 2011 as Chief Operating Officer and later assumed the role of Chief Executive Officer in August 2015. In December 2015, he was appointed as an executive director of the Operating Subsidiaries. Prior to joining our Operating Subsidiaries, Mr. Tam held senior management positions in various other companies. At VanceInfo Technologies Limited, an IT service provider listed on the New York Stock Exchange, he served as a Director of Major Accounts, delivering world-class IT consulting, enterprise solutions, and outsourcing services to numerous leading Fortune 500 companies. He also held the position of Team Leader of Business Development at Arkadin, a French company specializing in customized collaboration solutions for multinational companies across Europe, the United States, and the Asia Pacific region. Additionally, Mr. Tam served as the General Manager at GlobalTec Hong Kong Limited, where he marketed trending analysis software to individuals and financial institutions. Prior to that, he worked as a Director of Web Business at Finet Holdings Limited, a service provider listed on the Hong Kong Stock Exchange, focusing on providing financial information services and technology solutions to corporate clients and individual investors. At UNiSOFT, an IT training service provider in Hong Kong, Mr. Tam held the positions of Executive Director and Marketing Director, delivering IT certification training services to both corporate clients and individuals. Mr. Tam obtained a degree of Bachelor of Business Administration (Honours) from Lingnan University, Hong Kong.

Mr. Yun Pan Lau is the Chief Financial Officer of our Company and has more than 15 years of experience working in the financial industry in Hong Kong. Prior to joining the Company in March 2025, Mr. Lau worked as a financial controller at Eternity Investment Limited (HKEX: 764), a Hong Kong-based investment holding company principally engaged in money lending, securities investment, property development and investment in Hong Kong and China, and sales of jewelry products, between March 2009 and September 2024. Mr. Lau is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a qualified member of the Association of Chartered Certified Accountants. Mr. Lau received his Bachelor's Degree in Business Administrative Management from the University of South Australia in 2004.

Mr. Sum (Philip) Cheng is our independent director. Mr. Cheng is a senior partner of Cheng, Yeung & Co. Certified Public Accountants (Practising). Before joining Cheng, Yeung & Co. Certified Public Accountants (Practising) in March 2006, Mr. Cheng was a managing director of Lam, Kwok, Kwan & Cheng CPA Limited. Mr. Cheng is a Member of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales, The Chartered Global Management Accountants, The Chartered Institute of Management Accountants, The Association of Chartered Certified Accountants and The Association of International Accountants. Mr. Cheng has over 35 years' experience in assurance and financial advisory services. He has extensive experience in the auditing of private companies in different business sectors, including information technology, manufacturing, real estate, transportation, health care, food and beverage, and retail. Mr. Cheng specializes in Business Assurance, Financial Management, Financial Reporting, and Business Management Consultancy. He has been a Chartered Tax Adviser since 1998. He has extensive knowledge in Hong Kong Tax and has practical experience in handling many of Field Audits, Tax Investigations, and Tax Appeal Cases over 30 years. Mr. Cheng qualified in 1996, and obtained his Master's Degree in Professional Accounting from The Hong Kong Polytechnic University in 2000.

Ms. Lai Sum (Christina) Liu is our independent director. Ms. Liu has been working in the financial industry in Hong Kong for over 40 years, covering securities, futures, gold, foreign exchange, funds and financing etc. Ms. Liu has been the Responsible Officer for Type 1 (Dealing in securities), Type 2 (Dealing in futures contracts), Type 4 (Advising on securities), Type 5 (Advising on futures contracts) and Type 9 (Asset management) regulated activities and she has enriched working experience in several well-known financial institutions including Wocom Securities Limited (a subsidiary of Wing On Company International Ltd), SBI China Capital Securities Limited, RHB Securities Hong Kong Limited ("RHB"), Yuanta Asia Investment (Hong Kong) Limited (formerly known as Polaris Securities (Hong Kong) Ltd), South China Securities Limited and Huajin Securities (International) Limited. During Ms. Liu's tenure with RHB, RHB ranked No. 1 in Hong Kong Hang Seng Index in terms of the trading volume for the futures. Ms. Liu has also successfully introduced a private enterprise company to be listed in Hong Kong when she served as the Business Development Director in South China Securities Limited. She then served as Vice President in a licensed financial company established by Huafa Group, which is directly controlled under the Zhuhai People's Government, China. Ms. Liu obtained the Hong Kong General Certificate of Education in 1975.

Mr. Cheuk Ho Chan is our independent director. He obtained a bachelor's degree in business administration from the Chinese University of Hong Kong in 1989 and a master's degree in business administration from the University of Manchester in 2003. Mr. Chan has been a fellow member of the Hong Kong Institute of Certified Public Accountants since 2003. In the past twenty years, Mr. Chan has been the finance director, financial controller, and company secretary of several companies listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HK Stock Exchange"). He is currently an independent non-executive director of Eagle Nice (International) Holdings Limited, the issued shares of which are listed on the Main Board of the HK Stock Exchange (stock code: 2368) since November 2002, an independent non-executive director of EPS Creative Health Technology Group Limited, the issued shares of which are listed on the Main Board of the HK Stock Exchange (stock code: 3860) since July 2021, an independent non-executive director of Winshine Science Company Limited the issued shares of which are listed on the Main Board of the HK Stock Exchange (stock code: 209) since June 2023 and an independent non-executive director of Gudou Holdings Limited the issued shares of which are listed on the Gem Board of the HK Stock Exchange (stock code: 8308) since Dec 2023, respectively. He was the chief financial officer and financial controller in different corporations for over twenty years, most of which corporations are listed with the HK Stock Exchange, such as Pine Technology Holdings Limited (stock code:1079), North Asia Resources Holdings Limited (stock code: 61), China Best Group Holding Limited (stock code: 370), China Golden Development Holdings Limited (stock code: 162) and Surge Recreation Holdings Limited (stock code: 703). He was previously an executive director of Pine Technology from June 2017 to May 2022 and Wai Chun Bio-technology Limited ("Wai Chun Bio-technology"), the issued shares of which are listed on the Main Board of the HK Stock Exchange (stock code: 660) from July 2022 to March 2023, respectively. He was previously also an independent non-executive director of Wai Chun Bio-technology Limited from November 2020 to July 2022 and an independent non-executive director of Wai Chun Group Holdings Limited, the issued shares of which are listed on the Main Board of the HK Stock Exchange (stock code:1013) from March 2022 to July 2022, respectively.

Board Diversity

The table below provides certain information regarding the diversity of our board of directors as of the date of this annual report.

Board Diversity Matrix				
Country of Principal Executive Offices:	Hong Kong, China			
Foreign Private Issuer	Yes			
Disclosure Prohibited under Home Country Law	No			
Total Number of Directors	5			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	4	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction			0	
LGBTQ+			0	
Did Not Disclose Demographic Background			0	

Family Relationships

None of our directors or executive officers has a family relationship as defined in Item 401 of Regulation S-K.

Involvement in Certain Legal Proceedings

To the best of our knowledge, none of our directors or executive officers has, during the past ten years, been involved in any legal proceedings described in subparagraph (f) of Item 401 of Regulation S-K.

Controlled Company

Our biggest shareholder, Gaderway Investments Limited, owns 100% of the outstanding Class B Ordinary Shares and approximately 97.73% of the aggregate voting power of our outstanding Ordinary Shares as of the date of this annual report. As a result, we may be deemed to be a “controlled company” within the meaning of the NASDAQ listing standards. Gaderway Investments Limited, has the ability to control the outcome of matters submitted to the shareholders for approval, including the election of directors and any merger, consolidation, or sale of all or substantially all of our assets. If we are deemed to be a “controlled company”, we are permitted to elect to rely on certain exemptions from the obligations to comply with certain corporate governance requirements, including:

- the requirement that a majority of the board of directors consist of independent directors;
- the requirement that our director nominees be selected or recommended solely by independent directors; and
- the requirement that we have a nominating and corporate governance committee and a compensation committee that are composed entirely of independent directors with a written charter addressing the purposes and responsibilities of the committees.

[Table of Contents](#)

Although we do not intend to rely on the controlled company exemptions under the NASDAQ listing standards even if we are deemed a controlled company, we could elect to rely on these exemptions in the future, and if so, our shareholders would not have the same protection afforded to shareholders of companies that are subject to all of the corporate governance requirements of the NASDAQ Capital Market.

B. Compensation

Tai Wai (Stephen) Lam (Executive Director)	\$	407,737
Chi Weng Tam (Chief Executive Officer and Executive Director)	\$	328,652
Sui Yee Yeung (Chief Financial Officer, resigned with an effective date on March 10, 2025)	\$	180,126
Yun Pan Lau (Chief Financial Officer, appointed on March 20, 2025)	\$	-

C. Board Practices

Board of Directors

Our board of directors consists of five directors.

Duties of Directors

Under British Virgin Islands law, our directors owe fiduciary duties both at common law and under statute, including a statutory duty to act honestly, in good faith and with a view to our best interests. When exercising powers or performing duties as a director, our directors also have a duty to exercise the care, diligence and skills that a reasonable director would exercise in comparable circumstances, taking into account, without limitation, the nature of the Company, the nature of the decision and the position of the director and the nature of the responsibilities undertaken by him. In exercising the powers of a director, the directors must exercise their powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes our Memorandum and Articles or the BVI Act. In fulfilling their duty of care to us, our directors must ensure compliance with our Memorandum and Articles. We have the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our board of directors include, among others:

- appointing officers and determining the term of office of the officers;
- authorizing the payment of donations to religious, charitable, public or other bodies, clubs, funds or associations as deemed advisable;
- exercising the borrowing powers of the Company and mortgaging the property of the Company;
- executing checks, promissory notes and other negotiable instruments on behalf of the Company; and
- managing, directing or supervising the business and affairs of the Company.

Terms of Directors and Executive Officers

All of our executive officers are appointed by and serve at the discretion of our board of directors.

Qualification

There is currently no shareholding qualification for directors.

Insider Participation Concerning Executive Compensation

Our board of directors make all determinations regarding executive officer compensation from the time the Company first enters into employment agreements with executive officers up until the establishment of the compensation committee (considered further below).

Committees of the Board of Directors

We have established three committees under the board of directors: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Even though we are exempted from corporate governance standards because we are a foreign private issuer, we have voluntarily adopted a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Sum (Philip) Cheng, Lai Sum (Christina) Liu and Cheuk Ho Chan. Sum (Philip) Cheng is the chairman of our audit committee. We have determined that Sum (Philip) Cheng, Lai Sum (Christina) Liu and Cheuk Ho Chan satisfy the "independence" requirements of Section 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 under the Securities Exchange Act. Our board also has determined that Sum (Philip) Cheng qualifies as an audit committee financial expert within the meaning of the SEC rules or possesses financial sophistication within the meaning of the NASDAQ Listing Rules. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our Company. The audit committee is responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee consists of Sum (Philip) Cheng, Lai Sum (Christina) Liu and Cheuk Ho Chan. Lai Sum (Christina) Liu is the chairman of our compensation committee. We have determined that Sum (Philip) Cheng, Lai Sum (Christina) Liu and Cheuk Ho Chan satisfy the "independence" requirements of Section 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 under the Securities Exchange Act. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and approving to the board with respect to the total compensation package for our most senior executive officers;
- approving and overseeing the total compensation package for our executives other than the most senior executive officers;
- reviewing and recommending to the board with respect to the compensation of our directors;
- reviewing periodically and approving any long-term incentive compensation or equity plans;
- selecting compensation consultants, legal counsel or other advisors after taking into consideration all factors relevant to that person's independence from management; and
- programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee consists of Sum (Philip) Cheng, Lai Sum (Christina) Liu and Cheuk Ho Chan. Cheuk Ho Chan is the chairperson of our nominating and corporate governance committee. We have determined that Sum (Philip) Cheng, Lai Sum (Christina) Liu and Cheuk Ho Chan satisfy the “independence” requirements of Section 5605(a)(2) of the NASDAQ Listing Rules and Rule 10A-3 under the Securities Exchange Act. The nominating and corporate governance committee assists the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee is responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors or for appointment to fill any vacancy;
- reviewing annually with our board of directors its current composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- identifying and recommending to our board the directors to serve as members of committees;
- advising the board periodically with respect to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to our board of directors on all matters of corporate governance and on any corrective action to be taken; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Corporate Governance

The business and affairs of the Company are managed under the direction of our board of directors. We have conducted board meetings regularly since inception. Each of our directors has attended all meetings either in person, or via telephone conference, or the directors have passed resolutions through written consent. In addition to the contact information in this annual report, the board has adopted procedures for communication with the officers and directors as the date hereof. Each shareholder will be given specific information on how he/she can direct communications to the officers and directors of the Company at our annual shareholders’ meetings. All communications from shareholders are relayed to the members of our board of directors.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics applicable to all of our directors, officers, and employees. We have made our code of business conduct and ethics publicly available on our website.

Compensation Recovery Policy

We have adopted a compensation recovery policy to provide for the recovery of erroneously-awarded incentive compensation, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, final SEC rules, and applicable listing standards.

Agreements with Named Executive Officers

We have entered into employment agreements with our chief executive officer and chief financial officer. Each of our executive officers is employed unless terminated by either the executive officer or by us. Each employment agreement provides that we may terminate the employment for cause, at any time, without notice or remuneration, for certain acts of the executive officer, including but not limited to the commitments of any serious or persistent breach or non-observance of the terms and conditions of the employment, conviction of a criminal offense, willful disobedience of a lawful and reasonable order, fraud or dishonesty, receipt of bribery, or severe neglect of his or her duties. An executive officer may terminate his or her employment at any time with a one-month prior written notice. Pursuant to the terms of the employment agreements, each executive officer has agreed to hold, both during and after the date employment agreement expires, in strict confidence and not to use or disclose to any person, corporation or other entity without written consent, any confidential information. In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his employment and for one year following termination of the employment.

2022 Equity Incentive Plan

We intend to adopt a 2022 Stock Option Plan (the “Plan”). The Plan is a stock-based compensation plan that provides for discretionary grants of stock options to key employees, directors and consultants of the Company. The purpose of the Plan is to recognize contributions made to our Company and its Operating Subsidiaries by such individuals and to provide them with additional incentive to achieve the objectives of our Company. No grants have been made under the plan as of the date hereof. The following is a summary of the Plan and is qualified by the full text of the Plan.

Administration. The Plan will be administered by our board of directors, or, once constituted, the Compensation Committee of the board of directors (we refer to body administering the Plan as the “Committee”).

Number of Ordinary Shares. The number of Ordinary Shares that may be issued under the Plan is the maximum aggregate number of Ordinary Shares reserved and available pursuant to this Plan shall be the aggregate of [*]. If there is a forfeiture or termination without the delivery of Ordinary Shares or of other consideration of any option made under the Plan, the Ordinary Shares underlying such option, or the number of Ordinary Shares otherwise counted against the aggregate number of Ordinary Shares available under the Plan with respect to the option, to the extent of any such forfeiture or termination, shall again be, or shall become, available for granting options under the Plan. The number of Ordinary Shares issuable under the Plan is subject to adjustment, in the event in the event of any reorganization, recapitalization, stock split, stock distribution, merger, consolidation, split-up, spin-off, combination, subdivision, consolidation or exchange of shares, any change in the capital structure of the company or any similar corporate transaction. Except as the board of directors or the Committee determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Option. In the event of a spin-off transaction, the board of director or the Committee may in its discretion make such adjustments and take such other action as it deems appropriate with respect to outstanding Options under the Plan.

Eligibility. All persons as the board of directors or the Committee may select from among the employees, directors, and consultants of the Company. To the extent a grantee is a consultant, such recipient must be a natural person who has provided bona fide services to our Company, not in connection with the offer or sale of securities in capital-raising transactions or in connection with promotion or maintenance of a market for our securities.

Stock Options. The board of directors or Committee shall determine the provisions, terms, and conditions of each option including, but not limited to, the option vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, shares, cashless settlement, or other consideration) upon settlement of the option, payment contingencies and the exercise price; each option will last for the term stated in the option agreement, provided, however that in the case of an option that is to qualify as an Incentive Share Option as such term is defined in Section 422 of the Code, the term shall not exceed ten (10) years. It is intended that stock options qualify as “performance-based compensation” under Section 162(m) of the Code and thus be fully deductible by us for federal income tax purposes, to the extent permitted by law.

Payment for Stock Options and Withholding Taxes. The board of directors or Committee may make one or more of the following methods available for payment of an option, including the exercise price of a stock option, and for payment of the minimum required tax obligation associated with an award: (i) cash; (ii) check; (iii) with respect to options, payment through a broker-dealer sale and remittance procedure pursuant to which the optionee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Ordinary Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Ordinary Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Ordinary Shares directly to such brokerage firm in order to complete the sale transaction; (iv) cashless election; or (v) any combination of the foregoing methods of payment.

No Ordinary Shares shall be delivered under the Plan to any optionee or other person until such optionee or other person has made arrangements acceptable to the board of directors or Committee for the satisfaction of any national, provincial or local income and employment tax withholding obligations. Upon exercise of an option the Company shall have the right, but not the obligation (except as required by applicable law), to withhold or collect from optionee an amount sufficient to satisfy such tax obligations. The optionee will be solely responsible for his/her own tax obligations.

Amendment of Award Agreements; Amendment and Termination of the Plan; Term of the Plan. The board of directors may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by applicable laws, or if such amendment would adversely affect the right of any participant under any agreement in any material way without the written consent of the participant. No option may be granted during any suspension of the Plan or after termination of the Plan. No suspension or termination of the Plan shall adversely affect any rights under options already granted to an optionee. The Plan shall become effective on the date of the Company's contemplated initial public offering is effective. It shall continue in effect for a term of ten (10) years unless sooner terminated or unless renewed for another period not to exceed ten (10) years pursuant to shareholder approval.

Notwithstanding the foregoing, neither the Plan nor any outstanding option agreement can be amended in a way that results in the repricing of a stock option. Repricing is broadly defined to include reducing the exercise price of a stock option or cancelling a stock option in exchange for cash, other stock options with a lower exercise price or other stock awards. (This prohibition on repricing without shareholder approval does not apply in case of an equitable adjustment to the awards to reflect changes in the capital structure of the company or similar events.)

No option may be granted under the Plan on or after the 10th anniversary of the effective date of the Plan.

As of the date of this annual report, we have not adopted the Plan or any equity incentive plans and have not issued any stock-based compensation.

D. Employees

See "Item 4. Information on the Company—B. Business Overview—Employees."

E. Share Ownership

The following table sets forth information with respect to the beneficial ownership, within the meaning of Rule 13d-3 under the Exchange Act, of our Class A Ordinary Shares and Class B Ordinary Shares as of the date of this annual report for:

- each of our directors and executive officers; and
- each person known to us to own beneficially more than 5.0% of our Class A Ordinary Shares or Class B Ordinary Shares

Beneficial ownership includes voting or investment power with respect to the securities. Except as indicated below, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all Class A Ordinary Shares or Class B Ordinary Shares shown as beneficially owned by them. Percentage of beneficial ownership of each listed person is based on 4,204,775 Class A Ordinary Shares outstanding and 9,046,892 Class B Ordinary Shares outstanding as of the date of this annual report.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of 5% or more of our Class A Ordinary Shares or Class B Ordinary Shares. Beneficial ownership is determined in accordance with the rules of the SEC and generally requires that such person have voting or investment power with respect to securities. In computing the number of Class A Ordinary Shares and Class B Ordinary Shares beneficially owned by a person listed below and the percentage ownership of such person, Class A Ordinary Shares or Class B Ordinary Shares underlying options, warrants or convertible securities held by each such person that are exercisable or convertible within 60 days of the date of this annual report are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Except as otherwise indicated in the footnotes to this table, or as required by applicable community property laws, all persons listed have sole voting and investment power for all Class A Ordinary Shares or Class B Ordinary Shares shown as beneficially owned by them.

	Class A Number	Class B Number	Percent of Class A	Percentage of Class B	Percent of Total Voting Power*
Directors And Executive Officers:					
Tai Wai (Stephen) Lam	—	5,567,457 ⁽¹⁾	—	61.54%	60.14%
Chi Weng Tam	—	3,479,435 ⁽¹⁾	—	38.46%	37.59%
Yun Pan Lau (Appointed on March 20, 2025)	—	—	—	—	—
Sum (Philip) Cheng	—	—	—	—	—
Lai Sum (Christina) Liu	—	—	—	—	—
Cheuk Ho Chan	—	—	—	—	—
Directors and Executive Officers as a group:	—	9,046,892	—	100%	97.73%
5% Shareholders:					
Gaderway Investments Limited	—	9,046,892 ⁽¹⁾	—	100%	97.73%

(1) These shares are held by Gaderway Investments Limited, a British Virgin Islands company, approximately 61.54% of which is held by Mr. Tai Wai (Stephen) Lam and approximately 38.46% by Mr. Chi Weng Tam, each of whom is a director of Gaderway Investments Limited. They collectively hold the voting powers (and dispositive powers) over the Class B Ordinary Shares held by Gaderway Investments Limited. The registered address of Gaderway Investments Limited is: Vistra Corporate Services Centre, Wickham Cay II, Road Town, Tortola, VG1110, British Virgin Islands.

* Holders of Class A Ordinary Shares are entitled to one vote per one Class A Ordinary Share. Holders of Class B Ordinary Shares are entitled to 20 votes per one Class B Ordinary Share.

Item 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

A. Major Shareholders

See “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

Transactions with Related Parties

a. Accounts receivable – a related party

As of December 31, 2023 and 2024, the balances of accounts receivable from a related party were as follows:

		2023	2024	2024
		HK\$	HK\$	US\$
PrimeTime Global Technologies Limited	(1)	410,899	-	-

(1) PrimeTime Global Technologies Limited, indirectly controlled by Gaderway Investments Limited, the shareholder of the Company. The balance represented the accounts receivable from PrimeTime Global Technologies Limited for the subscription income and commission income. The balances as of December 31, 2022 and 2023 have been settled on May 10, 2023 and February 22, 2024, respectively. For details, please refer to “d. Related Party Transactions” below.

b. Due to a related party

As of December 31, 2023 and 2024, the balances of amounts due to a related party were as follows:

		2023	2024	2024
		HK\$	HK\$	US\$
Gaderway Investments Limited	(1)	306,110	306,110	39,408

(1) Gaderway Investments Limited, the shareholder of the Company. The balance represented the amount advance to the Company. These amounts were unsecured, interest-free and repayable on demand.

c. Related Party Transactions

The following is a list of related parties which the Company has transactions with:

- (a) PrimeTime Global Technologies Limited, indirectly controlled by Gaderway Investments Limited, the shareholder of the Company.
- (b) PrimeTime Global Markets Limited, indirectly controlled by Gaderway Investments Limited, the shareholder of the Company.

For the years ended December 31, 2022, 2023 and 2024, the related party transactions were as follows:

	Note	2022 HK\$	2023 HK\$	2024 HK\$	2024 US\$
Outsourcing fee paid to PrimeTime Global Technologies Limited (a)	1	113,410	-	-	-
Outsourcing fee paid to PrimeTime Global Markets Limited (b)	1	191,795	-	-	-
Subscription fee paid to PrimeTime Global Markets Limited (b)	2	290,160	-	-	-
Subscription fee received from PrimeTime Global Technologies Limited (a)	3	180,015	46,080	-	-
Sales commission received from PrimeTime Global Technologies Limited (a)	4	235,194	364,819	-	-

During the years ended December 31, 2022 and 2023, the Company declared dividends to its shareholders. No dividend was declared in the year ended December 31, 2024. For details, please refer to Note 13. Shareholders' Equity in the consolidated financial statements.

Notes:

- The Company outsourced some works to the related parties, PrimeTime Global Markets Limited and PrimeTime Global Technologies Limited for handling software implementation work and supporting services including quality assurance, technical support and maintenance services for the Company and the related parties charged an outsourcing fee for providing such services. Since the Company wants to focus on its human resources for the developing new functions and upgrading existing functions, it outsources some of its ancillary works to related parties and independent third parties. The outsourcing fee was recorded as an outsourcing fee in the cost of revenue.
- PrimeTime Global Markets Limited charged the Company for a subscription fee when the Company used PrimeTime Global Markets Limited's white label services. While PrimeTime Global Markets Limited provided white label hosting support services, the related party transaction is conducive to the stability of the operation of the Company's white label services. The subscription fee was recorded as an expense to net off against the sundry income as other income incurred over the same period.
- The Company charged PrimeTime Global Technologies Limited for a subscription fee when it used the subscription services of the Company. The subscription income was recorded as revenue.
- The Company charged PrimeTime Global Technologies Limited for sales commission from business referred by the Company. The Company will charge a commission fee at an agreed upon percentage from the sales amount referred by the Company to PrimeTime Global Technologies Limited. The sales commission was recorded as commission income in the other income.

d. Personal guarantees from related parties for bank loans

Tai Wai (Stephen) Lam and Chi Weng Tam, the executives and directors of the Company as well as the shareholders of Gaderway Investments Limited, have jointly or severally provided personal guarantees for several bank loans of the Company. For details, please refer to Note 10.

Policies and Procedures for Related Party Transactions

Our board of directors has established an audit committee that is tasked with reviewing and approving all related party transactions.

C. Interests of Experts and Counsel

Not applicable.

Item 8. FINANCIAL INFORMATION

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements filed as part of this annual report. See “Item 18. Financial Statements.”

Legal Proceedings

From time to time, we may become a party to various legal or administrative proceedings arising in the ordinary course of our business, including actions with respect to intellectual property infringement, violation of third-party licenses or other rights, breach of contract, and labor and employment claims. We are currently not a party to, and we are not aware of any threat of, any legal or administrative proceedings that, in the opinion of our management, are likely to have any material and adverse effect on our business, financial condition, cash flow, or results of operations.

Dividend Policy

See “Item 3. Key Information—Dividend Distributions, Cash Transfer, and Tax Consequences.”

B. Significant Changes

Except as disclosed elsewhere in this annual report, we have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. THE OFFER AND LISTING

A. Offer and Listing Details

Our Class A Ordinary Shares have been listed on the Nasdaq Capital Market since April 22, 2024 under the symbol “MFI.”

B. Plan of Distribution

Not applicable.

C. Markets

Our Class A Ordinary Shares have been listed on the Nasdaq Capital Market since April 22, 2024 under the symbol “MFI.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. ADDITIONAL INFORMATION

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We incorporate by reference into this annual report the description of our amended and restated memorandum and articles of association and the description of differences in corporate laws contained in Exhibits 1.1 and 2.2 attached to this annual report.

C. Material Contracts

We have not entered into any material contracts other than in the ordinary course of business and other than those described in “Item 4. Information on the Company” or elsewhere in this annual report.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulations.”

E. Taxation

The following summary of material British Virgin Islands, Hong Kong, and United States federal income tax consequences of an investment in our Class A Ordinary Shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our Class A Ordinary Shares, such as the tax consequences under state, local, and other tax laws. Unless otherwise noted in the following discussion, this section is the opinion of:

- Hunter Taubman Fischer & Li LLC, our U.S. counsel, insofar as it relates to legal conclusions with respect to matters of U.S. federal income tax law;
- Bird & Bird, our Hong Kong counsel, insofar as it relates to legal conclusions with respect to matters of Hong Kong tax law; and
- Ogier, our British Virgin Islands counsel, insofar as it relates to legal conclusions with respect to matters of British Virgin Islands tax law.

Material U.S. Federal Income Tax Consequences Applicable to U.S. Holders of Our Class A Ordinary Shares

The following discussion is a brief summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our Class A Ordinary Shares by a U.S. Holder (as defined below) that has acquired our Class A Ordinary Shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended, or the Code. This brief discussion is based upon existing U.S. federal tax law as of the date of this annual report, which is subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service, or the IRS, with respect to any U.S. federal income tax consequences described below, and there can be no assurance that the IRS or a court will not take a contrary position. This discussion, moreover, does not address the U.S. federal estate, gift, Medicare, and alternative minimum tax considerations, any withholding or information reporting requirements, or any state, local and non-U.S. tax considerations relating to the ownership or disposition of our Class A Ordinary Shares. The following brief summary does not address all aspects of U.S. federal income taxation that may be important to particular investors in light of their individual circumstances or to persons in special tax situations such as:

- banks and other financial institutions;
- insurance companies;
- pension plans;
- cooperatives;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders that elect to use a market-to-market method of accounting;
- certain former U.S. citizens or long-term residents;
- governments or agencies or instrumentalities thereof;
- tax-exempt entities (including private foundations);
- holders who acquired our Class A Ordinary Shares pursuant to the exercise of any employee share option or otherwise as compensation;
- investors that will hold our Class A Ordinary Shares as part of a straddle, hedging, conversion or other integrated transaction for U.S. federal income tax purposes;

- persons holding their Class A Ordinary Shares in connection with a trade or business outside the United States;
- persons that actually or constructively own 10% or more of our voting power or value (including by reason of owning our Class A Ordinary Shares);
- investors required to accelerate the recognition of any item of gross income with respect to their Class A Ordinary Shares as a result of such income being recognized on an applicable financial statement;
- investors that have a functional currency other than the U.S. dollar;
- partnerships or other entities taxable as partnerships for U.S. federal income tax purposes, or persons holding Class A Ordinary Shares through such entities, all of whom may be subject to tax rules that differ significantly from those discussed below.

The discussion set forth below is addressed only to U.S. Holders (defined below) that have purchased our Class A Ordinary Shares. Prospective purchasers are urged to consult their own tax advisors about the application of the U.S. federal income tax rules to their particular circumstances as well as the state, local, foreign and other tax consequences to them of the purchase, ownership and disposition of our Class A Ordinary Shares.

General

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of our Class A Ordinary Shares that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) is a beneficial owner of our Class A Ordinary Shares, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. Partnerships holding our Class A Ordinary Shares and their partners are urged to consult their tax advisors regarding an investment in our Class A Ordinary Shares.

Passive Foreign Investment Company (“PFIC”) Consequences

A non-U.S. corporation is considered a PFIC, as defined in Section 1297(a) of the US Internal Revenue Code, for any taxable year if either:

- at least 75% of its gross income for such taxable year is passive income; or
- at least 50% of the value of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income (the “asset test”).

Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock. In determining the value and composition of our assets for purposes of the PFIC asset test, (1) the cash we raised in our IPO will generally be considered to be held for the production of passive income and (2) the value of our assets must be determined based on the market value of our Class A Ordinary Shares from time to time, which could cause the value of our non-passive assets to be less than 50% of the value of all of our assets (including the cash raised in our IPO) on any particular quarterly testing date for purposes of the asset test.

Based on our operations, and the composition of our income and assets (taking into account the current income generated from our investment products purchased from banks), we believe we are not a PFIC for the current taxable year, and we do not believe for the foreseeable future under the current PFIC rules. We must make a separate determination each year as to whether we are a PFIC, however, and there can be no assurance with respect to our status as a PFIC for any future taxable year. With the cash we raised in our IPO, together with any other assets held for the production of passive income, it is possible that, for any subsequent taxable year, more than 50% of our assets may be assets held for the production of passive income. We will make this determination following the end of any particular tax year. Because the value of our assets for purposes of the asset test will generally be determined based on the market price of our Class A Ordinary Shares and because cash is generally considered to be an asset held for the production of passive income, our PFIC status will depend in large part on the market price of our Class A Ordinary Shares. Accordingly, fluctuations in the market price of the Class A Ordinary Shares may cause us to become a PFIC. In addition, the application of the PFIC rules is subject to uncertainty in several respects and the composition of our income and assets will be affected by how, and how quickly, we spend the cash raised in our IPO. We are under no obligation to take steps to reduce the risk of our being classified as a PFIC, and as stated above, the determination of the value of our assets will depend upon material facts (including the market price of our Class A Ordinary Shares from time to time and the amount of cash raised in our IPO) that may not be within our control. If we are a PFIC for any year during which you hold Class A Ordinary Shares, we will continue to be treated as a PFIC for all succeeding years during which you hold Class A Ordinary Shares. If we cease to be a PFIC and you did not previously make a timely “mark-to-market” election as described below, you may avoid some of the adverse effects of the PFIC regime by making a “purging election” (as described below) with respect to the Class A Ordinary Shares.

If we are a PFIC for your taxable year(s) during which you hold Class A Ordinary Shares, you will be subject to special tax rules with respect to any “excess distribution” that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Class A Ordinary Shares, unless you make a “mark-to-market” election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Class A Ordinary Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Class A Ordinary Shares;
- the amount allocated to your current taxable year, and any amount allocated to any of your taxable year(s) prior to the first taxable year in which we were a PFIC, will be treated as ordinary income, and
- the amount allocated to each of your other taxable year(s) will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or “excess distribution” cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Class A Ordinary Shares cannot be treated as capital, even if you hold the Class A Ordinary Shares as capital assets.

A U.S. Holder of “marketable stock” (as defined below) in a PFIC may make a mark-to-market election under Section 1296 of the US Internal Revenue Code for such stock to elect out of the tax treatment discussed above. If you make a mark-to-market election for first taxable year which you hold (or are deemed to hold) Class A Ordinary Shares and for which we are determined to be a PFIC, you will include in your income each year an amount equal to the excess, if any, of the fair market value of the Class A Ordinary Shares as of the close of such taxable year over your adjusted basis in such Class A Ordinary Shares, which excess will be treated as ordinary income and not capital gain. You are allowed an ordinary loss for the excess, if any, of the adjusted basis of the Class A Ordinary Shares over their fair market value as of the close of the taxable year. Such ordinary loss, however, is allowable only to the extent of any net mark-to-market gains on the Class A Ordinary Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Class A Ordinary Shares, are treated as ordinary income. Ordinary loss treatment also applies to any loss realized on the actual sale or disposition of the Class A Ordinary Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Class A Ordinary Shares. Your basis in the Class A Ordinary Shares will be adjusted to reflect any such income or loss amounts. If you make a valid mark-to-market election, the tax rules that apply to distributions by corporations which are not PFICs would apply to distributions by us, except that the lower applicable capital gains rate for qualified dividend income discussed below “— Taxation of Dividends and Other Distributions on our Class A Ordinary Shares” generally would not apply.

The mark-to-market election is available only for “marketable stock”, which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market (as defined in applicable U.S. Treasury regulations), including NASDAQ. If the Class A Ordinary Shares continue to be regularly traded on NASDAQ and if you are a holder of Class A Ordinary Shares, the mark-to-market election would be available to you were we to be or become a PFIC.

Alternatively, a U.S. Holder of stock in a PFIC may make a “qualified electing fund” election under Section 1295(b) of the US Internal Revenue Code with respect to such PFIC to elect out of the tax treatment discussed above. A U.S. Holder who makes a valid qualified electing fund election with respect to a PFIC will generally include in gross income for a taxable year such holder’s pro rata share of the corporation’s earnings and profits for the taxable year. The qualified electing fund election, however, is available only if such PFIC provides such U.S. Holder with certain information regarding its earnings and profits as required under applicable U.S. Treasury regulations. We do not prepare or provide the information that would enable you to make a qualified electing fund election. If you hold Class A Ordinary Shares in any taxable year in which we are a PFIC, you will be required to file U.S. Internal Revenue Service Form 8621 in each such year and provide certain annual information regarding such Class A Ordinary Shares, including regarding distributions received on the Class A Ordinary Shares and any gain realized on the disposition of the Class A Ordinary Shares.

If you do not make a timely “mark-to-market” election (as described above), and if we were a PFIC at any time during the period you hold our Class A Ordinary Shares, then such Class A Ordinary Shares will continue to be treated as stock of a PFIC with respect to you even if we cease to be a PFIC in a future year, unless you make a “purging election” for the year we cease to be a PFIC. A “purging election” creates a deemed sale of such Class A Ordinary Shares at their fair market value on the last day of the last year in which we are treated as a PFIC. The gain recognized by the purging election will be subject to the special tax and interest charge rules treating the gain as an excess distribution, as described above. As a result of the purging election, you will have a new basis (equal to the fair market value of the Class A Ordinary Shares on the last day of the last year in which we are treated as a PFIC) and holding period (which new holding period will begin the day after such last day) in your Class A Ordinary Shares for tax purposes.

IRC Section 1014(a) provides for a step-up in basis to the fair market value for our Class A Ordinary Shares when inherited from a decedent that was previously a holder of our Class A Ordinary Shares. However, if we are determined to be a PFIC and a decedent that was a U.S. Holder did not make either a timely qualified electing fund election for our first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) our Class A Ordinary Shares, or a mark-to-market election and ownership of those Class A Ordinary Shares are inherited, a special provision in IRC Section 1291(e) provides that the new U.S. Holder’s basis should be reduced by an amount equal to the Section 1014 basis minus the decedent’s adjusted basis just before death. As such if we are determined to be a PFIC at any time prior to a decedent’s passing, the PFIC rules will cause any new U.S. Holder that inherits our Class A Ordinary Shares from a U.S. Holder to not get a step-up in basis under Section 1014 and instead will receive a carryover basis in those Class A Ordinary Shares.

You are urged to consult your tax advisors regarding the application of the PFIC rules to your investment in our Class A Ordinary Shares and the elections discussed above.

Taxation of Dividends and Other Distributions on our Class A Ordinary Shares

Subject to the PFIC rules discussed above, the gross amount of distributions if made by us to you with respect to the Class A Ordinary Shares (including the amount of any taxes withheld therefrom) will generally be includable in your gross income as dividend income on the date of receipt by you, but only to the extent that the distribution is paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). With respect to corporate U.S. Holders, the dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

With respect to non-corporate U.S. Holders, including individual U.S. Holders, dividends will be taxed at the lower capital gains rate applicable to qualified dividend income, provided that (1) the Class A Ordinary Shares are readily tradable on an established securities market in the United States, or we are eligible for the benefits of an approved qualifying income tax treaty with the United States that includes an exchange of information program, (2) we are not a PFIC for either our taxable year in which the dividend is paid or the preceding taxable year, and (3) certain holding period requirements are met. Because there is an income tax treaty between the United States and the British Virgin Islands, clause (1) above is satisfied. Further, under U.S. Internal Revenue Service authority, Class A Ordinary Shares are considered for purpose of clause (1) above to be readily tradable on an established securities market in the United States if they are listed on certain exchanges, which presently include the NYSE and the NASDAQ Capital Market. You are urged to consult your tax advisors regarding the availability of the lower rate for dividends paid with respect to our Class A Ordinary Shares, including the effects of any change in law after the date of this annual report. We did not issue or declare any dividends for the current year.

Dividends will constitute foreign source income for foreign tax credit limitation purposes. If the dividends are taxed as qualified dividend income (as discussed above), the amount of the dividend taken into account for purposes of calculating the foreign tax credit limitation will be limited to the gross amount of the dividend, multiplied by the reduced rate divided by the highest rate of tax normally applicable to dividends. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by us with respect to our Class A Ordinary Shares will constitute “passive category income” but could, in the case of certain U.S. Holders, constitute “general category income.”

To the extent that the amount of the distribution exceeds our current and accumulated earnings and profits (as determined under U.S. federal income tax principles), it will be treated first as a tax-free return of your tax basis in your Class A Ordinary Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. We do not calculate our earnings and profits under U.S. federal income tax principles. Therefore, a U.S. Holder should expect that any distributions made in the future will be treated as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Taxation of Dispositions of Class A Ordinary Shares

Subject to the passive foreign investment company rules discussed above, you will recognize taxable gain or loss on any sale, exchange or other taxable disposition of a share equal to the difference between the amount realized (in U.S. dollars) for the share and your tax basis (in U.S. dollars) in the Class A Ordinary Shares. The gain or loss will be capital gain or loss. If you are a non-corporate U.S. Holder, including an individual U.S. Holder, who has held the Class A Ordinary Shares for more than one year, you will generally be eligible for reduced tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize will generally be treated as United States source income or loss for foreign tax credit limitation purposes which will generally limit the availability of foreign tax credits.

Information Reporting and Backup Withholding

Dividend payments with respect to our Class A Ordinary Shares and proceeds from the sale, exchange or redemption of our Class A Ordinary Shares may be subject to information reporting to the U.S. Internal Revenue Service and possible U.S. backup withholding under Section 3406 of the U.S. Internal Revenue Code with at a current flat rate of 24%. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification on U.S. Internal Revenue Service Form W-9 or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on U.S. Internal Revenue Service Form W-9. U.S. Holders are urged to consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the U.S. Internal Revenue Service and furnishing any required information. We do not intend to withhold taxes for individual shareholders. Transactions effected through certain brokers or other intermediaries, however, may be subject to withholding taxes (including backup withholding), and such brokers or intermediaries may be required by law to withhold such taxes.

Under the Hiring Incentives to Restore Employment Act of 2010, certain U.S. Holders are required to report information relating to our Class A Ordinary Shares, subject to certain exceptions (including an exception for Class A Ordinary Shares held in accounts maintained by certain financial institutions), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold Class A Ordinary Shares.

Hong Kong Profits Taxation

The Operating Subsidiaries incorporated in Hong Kong were subject to 16.5% Hong Kong profit tax on their taxable income generated from operations in Hong Kong, except for one of the Operating Subsidiaries which is the qualifying group entity under the two-tiered profits tax regime from the year of assessment 2018/2019 onwards. For this subsidiary, the first HK\$2,000,000 assessable profits are taxed at the rate of 8.25% and the remaining assessable profits are taxed at 16.5%.

The Inland Revenue (Amendment) (No. 7) Ordinance 2018 enacted on 2 November 2018 provides enhanced tax deduction for expenditures on qualifying research & development (R&D) activities. The amended section 16B allows taxpayers a generous 300% deduction for “Type B expenditure” on the first HK\$2 million spent on a qualifying R&D activity and a 200% deduction on expenditure after the first HK\$2 million, with no cap on the deductible amount – subject to certain conditions.

Under Hong Kong tax laws, the Operating Subsidiaries are exempted from Hong Kong income tax on its foreign-derived income. In addition, payments of dividends from the Operating Subsidiaries to us are not subject to any withholding tax in Hong Kong. See “Item 3. Key Information—Dividend Distributions, Cash Transfer, and Tax Consequences” for further details on our dividend policy.

British Virgin Islands Taxation

The government of the British Virgin Islands does not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or its shareholders who are not tax resident in the British Virgin Islands.

The Company and all distributions, interest and other amounts paid by the Company to persons who are not tax resident in the British Virgin Islands will not be subject to any income, withholding or capital gains taxes in the British Virgin Islands, with respect to the Class A Ordinary Shares in the Company owned by them and dividends received on such Class A Ordinary Shares, nor will they be subject to any estate or inheritance taxes in the British Virgin Islands.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not tax resident in the British Virgin Islands with respect to any shares, debt obligations or other securities of the Company.

Except to the extent that we have any interest in real property in the British Virgin Islands, all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company and all instruments relating to other transactions relating to the business of the Company are exempt from the payment of stamp duty in the British Virgin Islands.

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Company or its shareholders.

There is no income tax treaty or convention currently in effect between the United States and the British Virgin Islands or between Hong Kong and the British Virgin Islands.

British Virgin Islands Economic Substance Legislation

The British Virgin Islands, together with several other non-European Union jurisdictions, introduced legislation aimed at addressing concerns raised by the Council of the European Union (the “EU”) as to offshore structures engaged in certain activities which attract profits without real economic activity. With effect from January 1, 2019, the Economic Substance (Companies and Limited Partnerships) Act, 2018 (the “ES Act”) came into force in the British Virgin Islands introducing certain economic substance requirements for in-scope British Virgin Islands entities which are engaged in certain “relevant activities”, which in the case of companies incorporated before January 1, 2019, will apply in respect of financial years commencing June 30, 2019 onwards.

Based on the ES Act currently, the Company may remain out of scope of the legislation or else be subject to more limited substance requirements. Although it is presently anticipated that the ES Act will have little material impact on the Company or its Operating Subsidiaries’ operations, as the legislation is relatively new and remains subject to further clarification and interpretation, it is not currently possible to ascertain the precise impact of these legislative changes on the Company.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

We are subject to the periodic reporting and other informational requirements of the Exchange Act. Under the Exchange Act, we are required to file reports and other information with the SEC. Specifically, we are required to file annually a Form 20-F within four months after the end of each fiscal year. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy and information statements, and other information regarding registrants that make electronic filings with the SEC using its EDGAR system. As a foreign private issuer, we are exempt from the rules of the Exchange Act prescribing, among other things, the furnishing and content of proxy statements to shareholders, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act.

I. Subsidiary Information

See “Item 3. Key Information — Our Corporate Structure.”

Item 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk of Financial Instrument

We are subject to financial market risks, including changes in foreign currency exchange rate risk with respect to our investment at fair value consisting of short-term foreign exchange investment made by the Company which is denominated in the US\$. The fluctuation in US\$ may result in increase or decrease in the value of our investment at fair value. We consider the foreign exchange risk in relation to transactions denominated in US\$ with respect to HK\$ is not significant as HK\$ is pegged to US\$.

The trades of foreign currencies conducted by the Company are denominated in the US\$ and are paired with currencies with strong liquidity traded in highly transparent markets, including such currencies as the EURO, USD, GBP, CHF, AUD, CAD and NZD, etc. Fluctuation in exchange rates, changes in monetary and/or fiscal policy or inflation in the countries in which the Company paired its trades of foreign currencies could have a material adverse effect on its results of operations. The clear position limits and floating profit/loss limits are set to manage the market risks of its foreign exchange positions.

Currency Risk

The Company's operating activities are transacted in HK\$. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Company considers the foreign exchange risk in relation to transactions denominated in HK\$ with respect to US\$ is not significant as HK\$ is pegged to US\$.

Concentration and Credit Risk

Financial instruments that potentially subject the Company to the concentration of credit risks consist of cash and accounts receivable. The maximum exposures of such assets to credit risk are their carrying amounts as of the balance sheet dates. The Company deposits its cash with financial institutions located in Hong Kong. The Company believes that no significant credit risk exists as these financial institutions have high credit quality and the Company has not incurred any losses related to such deposits.

For the credit risk related to accounts receivable, the Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company establishes an allowance for credit losses based upon estimates, factors surrounding the credit risk of specific customers and other information. The allowance amounts were immaterial for all periods presented. The management believes that its contract acceptance, billing, and collection policies are adequate to minimize material credit risk. Application for progress payment of contract works is made on a regular basis. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management.

For the years ended December 31, 2022, 2023 and 2024, all of the Company's assets were located in Hong Kong and all of the Company's revenue were derived from its subsidiaries located in Hong Kong. The Company has a concentration of its revenue and accounts receivable with specific customers.

For the year ended December 31, 2022, one customer accounted for approximately 18.0% of the Company's total revenue. For the year ended December 31, 2023 and 2024, no customer accounted for over 10% of the Company's total revenue.

Three customers' accounts receivable accounted for 40.3%, 16.8% and 16.2% of the total accounts receivable as of December 31, 2024, respectively.

Two customers' accounts receivable accounted for 13.9% and 10.1% of the total accounts receivable as of December 31, 2023, respectively.

For the years ended December 31, 2022, 2023 and 2024, no vendor accounted for over 10% of the Company's total purchase.

Interest rate risk

Fluctuations in market interest rates may negatively affect the Company's financial condition and results of operations. The Company is exposed to floating interest rate risk on cash deposit and floating rate borrowings, and the risks due to changes in interest rates is not material. The Company has not used any derivative financial instruments to manage the interest risk exposure.

Item 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

A. Debt Securities

Not applicable.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Not applicable.

Part II

Item 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

Item 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

On September 6, 2024, our shareholders approved the re-designation and re-classification of the ordinary shares beneficially held by Gaderway Investments Limited into 9,046,892 Class B Ordinary Shares, each with 20 votes per share, and the ordinary shares held by other shareholders into 4,204,775 Class A Ordinary Shares, each with one vote per share, on a one for one basis. These matters have previously been disclosed in our current reports on Form 6-K filed with the SEC on September 11, 2024 and August 16, 2024, which are incorporated herein by reference. See “Item 10. Additional Information” for a description of the rights of securities holders.

Use of Proceeds

The following “Use of Proceeds” information relates to the registration statement on Form F-1, as amended (File Number 333-274158) for our initial public offering, which was declared effective by the SEC on March 29, 2024. In April 2024, we completed our initial public offering in which we issued and sold an aggregate of 1,666,667 Ordinary Shares at a price of \$4.50 per share for \$7.50 million. Joseph Stone Capital, LLC was the underwriter of our initial public offering.

We incurred approximately \$1.8 million in an indemnity escrow and expenses in connection with our initial public offering, which included approximately \$0.5 million in underwriting discounts and commissions, approximately \$0.08 million in expenses paid to or for the underwriter’s non-accountable expenses, approximately \$0.2 million in other expenses and approximately \$0.1 million paid for underwriter’s legal counsel service fee. None of the transaction expenses included payments to directors or officers of our Company or their associates, persons owning more than 10% or more of our equity securities or our affiliates. None of the net proceeds we received from the initial public offering were paid, directly or indirectly, to any of our directors or officers or their associates, persons owning 10% or more of our equity securities or our affiliates.

The net proceeds raised from the initial public offering were approximately \$5.7 million, after deducting underwriting discounts, an indemnity escrow and the offering expenses.

Item 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we carried out an evaluation of the effectiveness of our disclosure controls and procedures, which is defined in Rules 13a-15(e) of the Exchange Act, as of December 31, 2024.

Based on that evaluation, our management has concluded that, due to the material weaknesses described below, as of December 31, 2024, our disclosure controls and procedures were not effective. Notwithstanding management’s assessment that our internal control over financial reporting was ineffective as of December 31, 2024 due to the material weakness described below, we believe that the consolidated financial statements included in this annual report on Form 20-F correctly present our financial position, results of operations and cash flows for the fiscal years covered thereby in all material respects.

Management’s Annual Report on Internal Control over Financial Reporting

This annual report does not include a report of management’s assessment regarding internal control over financial reporting or an attestation report of our registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. However, in connection with the audits of our consolidated financial statements as of December 31, 2022 and 2023, we and our former independent registered public accounting firm, Marcum Asia, identified certain material weaknesses in our internal control over financial reporting PCAOB of the United States. In connection with the audits of our consolidated financial statements as of December 31, 2024, we identified certain material weaknesses in our internal control over financial reporting PCAOB of the United States. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

As of December 31, 2024, we identified the material weaknesses related to (1) our lack of sufficient full-time personnel with appropriate levels of accounting knowledge and experience to monitor the daily recording of transactions, address complex U.S. GAAP accounting issues and to prepare and review financial statements and related disclosures under U.S. GAAP; (2) our lack of a functional internal audit department or personnel that monitors the consistencies of the preventive internal control procedures as well as adequate policies and procedures in internal audit function to ensure that our policies and procedures have been carried out as planned; and (3) inadequate segregation of duties for certain key functions due to limited staff and resources.

Our management has implemented and is currently taking the steps necessary to remediate the ineffectiveness, such as (i) conducting regular and continuous U.S. GAAP training programs and webinars for our financial reporting and accounting personnel; ii) established three committees under the board of directors: an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee (see “*Item 6- DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES* for details”; iii) actively recruiting more qualified staff to fill up the key roles in the operations; and iv) setting up a financial and system control framework with formal documentation of policies and controls in place. However, we cannot assure you that these measures may fully address the material weakness in our internal control over financial reporting or that we may not identify additional material weaknesses or significant deficiencies in the future.

Attestation Report of the Registered Public Accounting Firm

This annual report on Form 20-F does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC where domestic and foreign registrants that are non-accelerated filers, which we are, and “emerging growth companies,” which we also are, are not required to provide the auditor attestation report.

Changes in Internal Control over Financial Reporting

Other than as described above, there were no changes in our internal controls over financial reporting that occurred during the period covered by this annual report on Form 20-F that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. RESERVED

Item 16A. AUDIT COMMITTEE FINANCIAL EXPERT

Mr. Sum (Philip) Cheng qualifies as an “audit committee financial expert” as defined in Item 16A of Form 20-F. Mr. Sum (Philip) Cheng satisfies the “independence” requirements of Section 5605(a)(2) of the NASDAQ Listing Rules as well as the independence requirements of Rule 10A-3 under the Exchange Act.

Item 16B. CODE OF ETHICS

Our board of directors has adopted a code of business conduct and ethics, which is applicable to all of our directors, officers, and employees. Our code of business conduct and ethics is publicly available on our website.

Item 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the aggregate fees by categories specified below in connection with certain professional services rendered and billed by Yu Certified Public Accountant, P.C, our independent registered public accounting firm, since July 23, 2024, and Marcum Asia CPAs LLP, our independent registered public accounting firm, since September 1, 2022, for the periods indicated.

Yu Certified Public Accountant, P.C

	For the Years Ended December 31,	
	2024	2023
Audit fees (1)	\$ 170,000	\$ -
Total	\$ 170,000	\$ -

Marcum Asia CPAs LLP

	For the Years Ended December 31,	
	2024	2023
Audit fees (1)	\$ -	\$ 240,000
Total	\$ -	\$ 240,000

- (1) Audit fees include the aggregate fees billed for each of the fiscal years for professional services rendered by our independent registered public accounting firm for the audit of our annual financial statements or for the audits of our financial statements and review of the interim financial statements in connection with our initial public offering in 2023.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by our independent registered public accounting firm, including audit services, audit-related services, tax services, and other services as described above.

Item 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

Item 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None.

Item 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

On July 23, 2024 (the “Dismissal Date”), the Company’s audit committee approved the dismissal of MarcumAsia and approved the engagement of Yu Certified Public Accountant, P.C (“Yu CPA”) on July 23, 2024 to serve as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2024.

MarcumAsia’s report on the Company’s financial statements for the fiscal years ended December 31, 2023 and 2022 did not contain an adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope, or accounting principles. Furthermore, during the fiscal years ended December 31, 2023 and 2022 and in the subsequent interim period through the Dismissal Date, there were no disagreements with MarcumAsia on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to MarcumAsia’s satisfaction, would have caused MarcumAsia to make reference to the subject matter of the disagreement in connection with its report on the Company’s financial statements for such periods. During the fiscal years ended December 31, 2023 and 2022 and in the subsequent interim period through the Dismissal Date, there were no “reportable events” as that term is described in Item 16F(a)(1)(v) of Form 20-F, other than the material weaknesses reported by management under Item 15 of the Company’s annual report on Form 20-F for the fiscal year ended December 31, 2023, as filed with the U.S. Securities and Exchange Commission (the “Commission”) on May 15, 2024.

The Company has provided MarcumAsia with a copy of the above disclosure and requested that MarcumAsia furnish a letter addressed to the Commission stating whether or not it agrees with the above statements. A copy of MarcumAsia’s letter was filed as Exhibit 16.1 to the Form 6-K filed on July 30, 2024, and is incorporated by reference herein.

During the fiscal years ended December 31, 2023 and 2022 and any subsequent interim periods prior to the engagement of Yu CPA, neither the Company, nor someone on behalf of the Company, has consulted Yu CPA regarding either the application of accounting principles to a specified transaction, whether completed or proposed, or the type of audit opinion that might be rendered on the Company’s consolidated financial statements. Neither a written report was provided to the Company nor was any oral advice provided that Yu CPA concluded was an important factor considered by the Company in reaching a decision as to the accounting, auditing, or financial reporting issue. Additionally, neither the Company, nor anyone on behalf of it, has consulted Yu CPA regarding any matter that was the subject of a disagreement as defined in Item 16F(a)(1)(iv) of Form 20-F and related instructions to Item 16F of Form 20-F, or any reportable events as described in Item 16F(a)(1)(v) of Form 20-F..

Item 16G. CORPORATE GOVERNANCE

As a British Virgin Islands company listed on the Nasdaq Capital Market, we are subject to the Nasdaq corporate governance listing standards. Nasdaq rules,

however, permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the British Virgin Islands, which is our home country, may differ significantly from the Nasdaq corporate governance listing standards.

Nasdaq Listing Rule 5635 generally provides that shareholder approval is required of U.S. domestic companies listed on Nasdaq prior to issuance (or potential issuance) of securities (i) equaling 20% or more of the company's common stock or voting power for less than the greater of market or book value (ii) resulting in a change of control of the company; and (iii) which is being issued pursuant to a stock option or purchase plan to be established or materially amended or other equity compensation arrangement made or materially amended. Notwithstanding this general requirement, Nasdaq Listing Rule 5615(a)(3)(A) permits foreign private issuers to follow their home country practice rather than these shareholder approval requirements. The British Virgin Islands do not require shareholder approval prior to any of the foregoing types of issuances. We, therefore, are not required to obtain such shareholder approval prior to entering into a transaction with the potential to issue securities as described above. We intend to comply with the requirements of Nasdaq listing rules in determining whether shareholder approval is required on such matters. We may, however, consider following home country practice in lieu of the requirements under Nasdaq listing rules with respect to certain corporate governance standards which may afford less protection to investors.

Nasdaq Listing Rule 5605(b)(1) requires listed companies to have, among other things, a majority of its board members be independent. As a foreign private issuer, however, we are permitted to, and we may follow home country practice in lieu of the above requirements. The corporate governance practice in our home country, the British Virgin Islands, does not require a majority of our board to consist of independent directors. Currently, a majority of our board members are independent. However, if we change our board composition such that independent directors do not constitute a majority of our board of directors, our shareholders may be afforded less protection than they would otherwise enjoy under Nasdaq's corporate governance requirements applicable to U.S. domestic issuers. See "Item 3. Key Information — D. Risk Factors — Risks Related to Our Class A Ordinary Shares and the Trading Market — As a foreign private issuer, we are permitted to rely on exemptions from certain NASDAQ Stock Exchange corporate governance standards applicable to domestic U.S. issuers. This may afford less protection to holders of our Class A Ordinary Shares."

Item 16H. MINE SAFETY DISCLOSURE

Not applicable.

Item 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

Item 16J. INSIDER TRADING POLICIES

Our board of directors has adopted insider trading policies and procedures governing the purchase, sale, and other dispositions of our securities by directors, senior management, and employees that are reasonably designed to promote compliance with applicable insider trading laws, rules, and regulations, and any listing standards applicable to us.

Our board of directors has also adopted a compensation recovery policy required by the Nasdaq Listing Rule 5608, the form of which is attached as Exhibit 97.1 to this annual report.

Item 16K. CYBERSECURITY

We have established processes to assess, identify, and manage material risks arising from cybersecurity threats. These processes are fully integrated into our overall risk management framework, ensuring a cohesive approach to identifying vulnerabilities and mitigating potential risks. Our cybersecurity risk management system is overseen by our cybersecurity committee, which is composed of senior system managers and senior system engineers, with updates provided to senior management and the board of directors.

To enhance our risk management capabilities, we, from time to time, engage third-party consultants, assessors, and auditors to perform regular cybersecurity assessments and penetration testing. These external experts provide valuable insights and recommendations, which are promptly addressed to strengthen our defenses.

We have implemented processes to monitor and oversee risks related to cybersecurity threats associated with third-party service providers. This includes conducting thorough due diligence during vendor selection and ongoing monitoring of their cybersecurity practices to ensure alignment with our standards.

Although we have not experienced any material cybersecurity incidents as of the date of this annual report, we remain vigilant to the evolving threat landscape. We continuously assess the potential impact of cybersecurity risks on our business strategy, operational results, and financial condition. Any material cybersecurity risks or incidents would be promptly disclosed in alignment with regulatory requirements.

We believe that our approach with respect to the management of cybersecurity risks reflects our commitment to safeguarding our operations, data, and stakeholder interests in the face of increasing cybersecurity challenges.

Part III

Item 17. FINANCIAL STATEMENTS

We have elected to provide financial statements pursuant to Item 18.

Item 18. FINANCIAL STATEMENTS

The consolidated financial statements of the Company and the Operating Subsidiaries are included at the end of this annual report.

Item 19. EXHIBITS

EXHIBIT INDEX

Exhibit No.	Description
1.1*	Amended and Restated Memorandum of Association
2.1	Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on August 22, 2023)
2.2*	Description of Securities
4.1	Form of Indemnification Agreement between the Registrant and its directors and executive officers (incorporated by reference to Exhibit 10.1 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on August 22, 2023)
4.2	Form of Employment Agreement between the Registrant and its executive Directors (incorporated by reference to Exhibit 10.2 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on August 22, 2023)
4.3	2022 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on August 22, 2023)
4.4	Instruments of Transfer among Gaderway and the Investors and between Lo Wing Sang and Miu Man Cheung (incorporated by reference to Exhibit 10.4 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on February 22, 2024)
4.5	Form of Employment Agreement between the Registrant and its executive officers (incorporated by reference to Exhibit 10.5 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on October 16, 2023)
4.6*	The Malaysia Consulting Agreement, dated as of May 20, 2024, by and between mF International Limited and CAKL Holdings Sdn Bhd (incorporated herein by reference to Exhibit 10.1 to the Form 6-K (File No. 001-42027) filed with the Securities and Exchange Commission on October 16, 2024)
4.7*	English Translation of the China Consulting Agreement, dated as of May 22, 2024, by and between mF International Limited and Shenzhen Yijincheng Business Consulting Co., Ltd. (incorporated herein by reference to Exhibit 10.1 to the Form 6-K (File No. 001-42027) filed with the Securities and Exchange Commission on October 16, 2024)
8.1	Subsidiaries (incorporated by reference to Exhibit 21.1 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on August 22, 2023)
11.1	Code of Business Conduct and Ethics of the Registrant (incorporated by reference to Exhibit 99.1 of our Registration Statement on Form F-1 (File No. 333-274158) initially filed with the Securities and Exchange Commission on August 22, 2023)
11.2	Insider Trading Policy of the Registrant (incorporated herein by reference to Exhibit 11.2 to the Form 20-F (File No. 001-42027) filed with the Securities and Exchange Commission on May 15, 2024)
12.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
13.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
13.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97.1	Compensation Recovery Policy of the Registrant (incorporated herein by reference to Exhibit 97.1 to the Form 20-F (File No. 001-42027) filed with the Securities and Exchange Commission on May 15, 2024)
101*	The following financial statements from the Company's Annual Report on Form 20-F for the year ended December 31, 2022, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Consolidated Statements of Changes in Shareholders' Equity, (iv) Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed with this annual report on Form 20-F

** Furnished with this annual report on Form 20-F

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

mF International Limited

By: /s/ Chi Weng Tam

Chi Weng Tam

Chief Executive Officer and Executive Director

(Principal Executive Officer)

Date: April 23, 2025

mF INTERNATIONAL LIMITED AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm (PCAOB ID 5910)	F-2
Report of Independent Registered Public Accounting Firm (PCAOB ID 5395)	F-3
Consolidated Balance Sheets as of December 31, 2023 and 2024	F-4
Consolidated Statements of Operation and Comprehensive Income (Loss) for the Years Ended December 31, 2022, 2023 and 2024	F-5
Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 2022, 2023 and 2024	F-6
Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2023 and 2024	F-7
Notes to Consolidated Financial Statements	F-8



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
mF International Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of mF International Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), as of December 31, 2024, the related consolidated statement of comprehensive (loss) income, consolidated statement of shareholders’ equity, and consolidated statement of cash flows, for the year ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial positions of the Group as of December 31, 2024, and the results of its operations and its cash flows, for the year ended December 31, 2024, in conformity with generally accepted accounting principles in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to express an opinion on the Group’s consolidated financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Yu Certified Public Accountant, P.C. (PCAOB ID: 5910)

We have served as the Group’s auditor since 2024.

New York, New York
April 23, 2025



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
mF International Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of mF International Limited and Subsidiaries (collectively, the “Company”) as of December 31, 2023, the related consolidated statements of income and comprehensive income, changes in shareholders’ equity, and cash flows for each of the two years in the period ended December 31, 2023, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for each of two years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum Asia CPAs LLP
Marcum Asia CPAs LLP

We served as the Company’s auditor from 2022 (such date takes into account the acquisition of certain assets of Friedman LLP by Marcum Asia CPAs LLP effective September 1, 2022) through 2024.

New York, New York
May 15, 2024

[Table of Contents](#)

mF International Limited and Subsidiaries
Consolidated Balance Sheets
As of December 31, 2023 and 2024

	As of December 31,		
	2023 HK\$	2024 HK\$	2024 US\$
Assets			
Current assets			
Cash	6,810,418	19,659,787	2,530,966
Restricted cash	-	2,340,000	301,247
Accounts receivable, net	2,579,475	1,120,562	144,259
Prepaid expenses and deposits, current, net	371,143	10,540,963	1,357,025
Investment at fair value	343,862	343,862	44,268
Total current assets	10,104,898	34,005,174	4,377,765
Non-current assets			
Property and equipment, net	36,511	403,107	51,895
Intangible assets, net	15,336,589	18,787,163	2,418,626
Operating lease right-of-use assets	2,957,515	1,563,916	201,336
Prepaid expenses and deposits, non-current, net	431,972	3,546,051	456,512
Deferred initial public offering (“IPO”) costs	4,984,334	-	-
Total non-current assets	23,746,921	24,300,237	3,128,369
Total assets	33,851,819	58,305,411	7,506,134
Liabilities and Shareholders’ Equity			
Current liabilities			
Accrued expenses and other current liabilities	1,782,265	2,520,843	324,529
Amounts due to a related party	306,110	306,110	39,408
Bank borrowings, current	3,863,852	4,012,047	516,504
Contract liabilities, current	4,619,690	8,669,448	1,116,089
Operating lease liabilities, current	1,392,826	1,440,666	185,469
Tax payable	217,478	93,409	12,025
Total current liabilities	12,182,221	17,042,523	2,194,024
Non-current liabilities			
Contract liabilities, non-current	-	104,714	13,481
Bank borrowings, non-current	6,062,904	2,047,639	263,609
Operating lease liabilities, non-current	1,570,307	123,249	15,867
Deferred tax liabilities	2,292,955	3,074,714	395,833
Total non-current liabilities	9,926,166	5,350,316	688,790
Total liabilities	22,108,387	22,392,839	2,882,814
COMMITMENTS AND CONTINGENCIES			
Shareholders’ equity			
Ordinary shares, authorized to issue an unlimited number of Ordinary Shares of no par value, 11,585,000 and 13,251,667 shares issued and outstanding as of December 31, 2023 and 2024	3,900	3,900	500
Additional paid-in capital	2,042,379	46,418,547	5,950,729
Retained earnings (accumulated deficit)	9,778,545	(10,432,447)	(1,350,016)
Accumulated other comprehensive loss	(81,392)	(77,428)	22,107
Total shareholders’ equity	11,743,432	35,912,572	4,623,320
Total liabilities and shareholders’ equity	33,851,819	58,305,411	7,506,134

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

mF International Limited and Subsidiaries
Consolidated Statements of Operation and Comprehensive Income (Loss)
For the Years Ended December 31, 2022, 2023 and 2024

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Revenue	34,931,827	31,961,177	26,085,318	3,358,178
Cost of revenue	16,512,702	13,995,670	13,783,124	1,774,415
Gross profit	18,419,125	17,965,507	12,302,194	1,583,763
Operating expenses				
Selling and marketing expenses	161,791	160,976	4,182,830	538,490
Research and development expenses	80,012	11,373	172,810	22,247
General and administrative expenses	10,634,851	11,110,942	27,317,790	3,516,844
Total operating expenses	10,876,654	11,283,291	31,673,430	4,077,581
Income (loss) from operations	7,542,471	6,682,216	(19,371,236)	(2,493,818)
Other income (expenses)				
Other income (expense), net	1,265,200	457,941	(159,145)	(20,488)
Realized loss on disposal of financial assets at fair value	-	(7,874)	-	-
Change in fair value on financial assets at fair value	(1,157,650)	(2,091)	-	-
Interest (expense) income, net	(443,577)	(353,002)	101,148	13,022
Total other (expenses) income, net	(336,027)	94,974	(57,997)	(7,466)
Income (loss) before income taxes	7,206,444	6,777,190	(19,429,233)	(2,501,284)
Income tax expenses	(387,845)	(148,309)	(781,759)	(100,642)
Net income (loss)	6,818,599	6,628,881	(20,210,992)	(2,601,926)
Other comprehensive income (loss)				
Foreign currency translation adjustment	7,496	17,866	3,964	32,528
Comprehensive income (loss)	6,826,095	6,646,747	(20,207,028)	(2,569,398)
Weighted average shares outstanding – basic and diluted*	11,585,000	11,585,000	12,726,553	12,726,553
Earnings (loss) per share – basic and diluted*	0.589	0.572	(1.59)	(0.20)

* Giving retroactive effect to the 1 for 231.7 share split effected on August 11, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

mF International Limited and Subsidiaries
Consolidated Statements of Changes in Shareholders' Equity
For the Years Ended December 31, 2022, 2023 and 2024

	<u>Ordinary Shares</u>			<u>Amounts due from related parties</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Accumulated Other Comprehensive Loss</u>	<u>Total</u>
	<u>Shares *</u>	<u>Amount HK\$</u>	<u>Additional Paid-in Capital HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Balance as of January 1, 2022	11,585,000	3,900	2,042,379	(24,231,643)	29,774,589	(106,754)	7,482,471
Net income	-	-	-	-	6,818,599	-	6,818,599
Repayment from related parties	-	-	-	6,117,332	-	-	6,117,332
Dividend declared	-	-	-	18,114,311	(28,114,311)	-	(10,000,000)
Foreign currency translation adjustments	-	-	-	-	-	7,496	7,496
Balance as of December 31, 2022	11,585,000	3,900	2,042,379	-	8,478,877	(99,258)	10,425,898
Net income	-	-	-	-	6,628,881	-	6,628,881
Dividend declared	-	-	-	-	(5,329,213)	-	(5,329,213)
Foreign currency translation adjustments	-	-	-	-	-	17,866	17,866
Balance as of December 31, 2023	11,585,000	3,900	2,042,379	-	9,778,545	(81,392)	11,743,432
Proceeds from the IPO	1,666,667	-	58,500,012	-	-	-	58,500,012
Deferred IPO costs	-	-	(14,123,844)	-	-	-	(14,123,844)
Net loss	-	-	-	-	(20,210,992)	-	(20,210,992)
Foreign currency translation adjustments	-	-	-	-	-	3,964	3,964
Balance as of December 31, 2024	<u>13,251,667</u>	<u>3,900</u>	<u>46,418,547</u>	<u>-</u>	<u>(10,432,447)</u>	<u>(77,428)</u>	<u>35,912,572</u>
		<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Balance as of December 31, 2024	<u>13,251,667</u>	<u>500</u>	<u>5,950,729</u>	<u>-</u>	<u>(1,350,016)</u>	<u>22,107</u>	<u>4,623,320</u>

* Giving retroactive effect to the 1 for 231.7 share split effected on August 11, 2023.

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

mF International Limited and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022, 2023 and 2024

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Cash flows from operating activities:				
Net income (loss)	6,818,599	6,628,881	(20,210,992)	(2,601,926)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation of property and equipment	222,173	134,951	96,880	12,472
Amortization of intangible assets	6,160,391	5,514,165	4,516,459	581,441
Amortization of right-of-use assets and interest of lease liabilities	1,695,259	1,633,106	1,494,383	192,384
Realized loss on disposal of financial assets at fair value	-	7,874	-	-
Change in fair value on financial assets at fair value	1,157,650	2,091	-	-
Allowance for credit losses	497,099	998,020	893,175	114,985
Deferred tax expense	158,490	154,186	781,759	100,642
Changes in operating assets and liabilities:				
Accounts receivable	(949,239)	(2,444,125)	668,920	86,116
Prepaid expenses	520,618	(38,978)	(13,373,781)	(1,721,718)
Deposits	-	47,104	(13,300)	(1,712)
Accrued expenses and other current liabilities	(75,232)	(61,981)	738,576	95,083
Contract liabilities	(1,275,002)	420,517	4,154,472	534,839
Tax payable	229,355	(11,877)	(124,069)	(15,972)
Operating lease liabilities	(1,663,674)	(1,659,126)	(1,500,000)	(193,107)
Net cash provided by (used in) operating activities	13,496,487	11,324,808	(21,877,518)	(2,816,473)
Cash flows from investing activities:				
Purchase of property and equipment	(41,721)	(48,157)	(463,476)	(59,667)
Costs to obtain and develop software	(5,993,675)	(7,270,898)	(7,967,033)	(1,025,662)
Purchase of intangible asset	(1,999)	-	-	-
Purchase of investment at fair value	(156,000)	-	-	-
Disposals of investment at fair value	4,068,302	1,633,315	-	-
Net cash used in investing activities	(2,125,093)	(5,685,740)	(8,430,509)	(1,085,329)
Cash flows from financing activities:				
Advance from or repayment to related parties	6,117,332	-	-	-
Repayment to a related party	(3,900)	-	-	-
Dividend paid	(10,000,000)	(5,329,213)	-	-
Deferred IPO costs	(3,119,900)	(1,864,434)	(9,139,510)	(1,176,604)
Proceeds from initial public offering	-	-	58,500,012	7,500,002
Repayment of bank borrowings	(2,396,598)	(3,693,642)	(3,867,070)	(497,840)
Net cash (used in) provided by financing activities	(9,403,066)	(10,887,289)	45,493,432	5,825,558
Effect of exchange rate changes on cash	13,820	(5,092)	3,964	31,696
Net increase (decrease) in cash	1,982,148	(5,253,313)	15,189,369	1,955,452
Cash, beginning of year	10,081,583	12,063,731	6,810,418	876,761
Cash, end of year	12,063,731	6,810,418	21,999,787	2,832,213
Supplemental disclosure information:				
Cash paid for income tax	-	-	124,069	15,972
Cash paid for interest	451,403	483,623	325,084	41,851
Supplemental non-cash in investing and financing activities:				
Operating lease right-of-use assets, obtained in exchange for operating lease obligations	3,194,319	2,824,383	2,835,821	365,079
Dividend payable which was settled by netting off against the outstanding amounts due from related parties	18,114,311	-	-	-

The accompanying notes are an integral part of these consolidated financial statements.

[Table of Contents](#)

mF International Limited and Subsidiaries Notes to Consolidated Financial Statements

1. Organization and Business Description

Organization and Nature of Operations

mF International Limited (the “Company” or “mF International”) is a limited liability company established under the laws of the British Virgin Islands on June 15, 2022. It is a holding company with no business operation. The Company conducts its business mainly through its three subsidiaries in Hong Kong (collectively, the “Group”). The Group is principally engaged in research and development and sales of financial trading solutions via internet or platform as software as a service.

As of December 31, 2024, the Company has direct or indirect interests in the following subsidiaries:

Name		Place and date of incorporation	Ownership	Principal activity
m-FINANCE Limited (“m-FINANCE”)		Hong Kong February 11, 2002	100% owned by the Company	Engages in development and provision of financial trading solutions.
m-FINANCE Technologies Limited (“mFTT”)	Trading	Hong Kong March 21, 2013	100% owned by m-FINANCE	Engages in business of liquidity providers related services and other financial value-added services.
Omegatraders Systems Limited (“OTX”)		Hong Kong December 10, 2009	100% owned by m-FINANCE	Engages in the business of algorithm trading research & development and investment.
m-FINANCE Software Limited (“SZ WFOE”)		China March 27, 2014	100% owned by m-FINANCE	Dormant and the deregistration was completed on March 21, 2023.

Reorganization

A reorganization of the legal structure of the Company (the “Reorganization”) was completed on August 22, 2022. Prior to the Reorganization, the Company’s main Hong Kong subsidiary, m-FINANCE, with its three subsidiaries mFTT, OTX and SZ WFOE, was ultimately controlled by Gaderway Investments Limited.

As part of the Reorganization, mF International was incorporated under the laws of the British Virgin Islands on June 15, 2022, and being interspersed between Gaderway Investments Limited and m-FINANCE. Consequently, mF International became the holding company of m-FINANCE, with its three subsidiaries on August 22, 2022. The Company and its subsidiaries resulting from Reorganization has always been under the common control of the same controlling shareholder, Gaderway Investments Limited, before and after the Reorganization. The consolidation of the Company and its subsidiaries has been accounted for at historical cost and prepared on the basis as if the aforementioned transactions had become effective as of the beginning of the first period presented in the accompanying consolidated financial statements.

Initial Public Offering (“IPO”)

On April 24, 2024, the Company completed its IPO of 1,666,667 Ordinary Shares at a public offering price of \$4.50 per share on Nasdaq Capital Market under the symbol “MFI.” It received net proceeds of \$5,689,251 (HK\$44,376,168) after deducting underwriting discounts, commissions, legal fees, investor relations and indemnity escrow of \$1,234,108 (HK\$9,626,043), as well as deferred offering costs of \$576,643 (HK\$4,497,815). Deferred, direct offering costs were capitalized and consisted of fees and expenses incurred in connection with the sale of our Ordinary Shares in the IPO, including the legal, accounting, printing and other offering-related costs. Upon completion of the IPO, these deferred offering costs were reclassified from current assets to shareholders’ equity and recorded against the net proceeds from the offering.

Re-designation and Re-classification

On September 6, 2024, the Company’s shareholders approved the re-designation and re-classification of the ordinary shares beneficially held by Gaderway Investments Limited into 9,046,892 Class B Ordinary Shares, each with 20 votes per share, and the ordinary shares held by other shareholders into 4,204,775 Class A Ordinary Shares, each with one vote per share, on a one for one basis.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the Securities Exchange Commission (“SEC”).

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries. All intercompany transactions and balances among the Company and its subsidiaries have been eliminated upon consolidation.

Use of Estimates and Assumptions

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments are based on historical information, information that is currently available to the Company and on various other assumptions that the Company believes to be reasonable under the circumstances. Significant estimates required to be made by management, include, but are not limited to, allowance for credit losses and impairment assessment for the internally developed software. Actual results could differ from those estimates.

Foreign Currency Translation

The Company uses Hong Kong Dollar (“HK\$”) as its reporting currency. The functional currency of the Company in British Virgin Islands is United States Dollar (“US\$”). For the Company’s subsidiaries in Hong Kong, the functional currency is HK\$. For the Company’s subsidiary in the PRC, the functional currency is RMB. The functional currencies are the respective local currencies based on the criteria of ASC 830, “Foreign Currency Matters”.

In the consolidated financial statements, the financial information of the Company and other entities located outside of the Hong Kong has been translated into HK\$. Assets and liabilities are translated at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, and expenses, gains and losses are translated using the average rate for the period. Gains or losses resulting from foreign currency transactions are included in the accompanying consolidated statement of operation and comprehensive income (loss).

[Table of Contents](#)

mF International Limited and Subsidiaries
Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies (Continued)

Convenience Translation

Translations of amounts in the consolidated balance sheets, consolidated statements of income and comprehensive income, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows from HK\$ into US\$ as of and for the year ended December 31, 2024 are solely for the convenience of the reader and were calculated at the noon buying rate of US\$1 = HK\$7.7677, as published in H.10 statistical release of the United States Federal Reserve Board. No representation is made that the HK\$ amounts could have been, or could be, converted, realized or settled into US\$ at such rate or at any other rate.

Investment at fair value

Investment at fair value represents the amount of short-term foreign exchange investment made by the Company involving buying the currency of one country while selling that of another with the intention to optimize a trading algorithm based on live market interactions. The management of the Company intended to retain such funds to continue making short-term foreign exchange investment in such investment accounts in the near future. Such balance is classified as current asset and measured in fair value under ASC 820. Any gain or loss arising from the transactions would be recognized in profit or loss.

Fair Value of Financial Instruments

The fair value of a financial instrument is defined as the exchange price that would be received from an asset or paid to transfer a liability (as exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

ASC 820 requires certain disclosures regarding the fair value of financial instruments. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy prioritizes the inputs used to measure fair value. The hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets and liabilities.

Level 2 - Quoted prices in active markets for similar assets and liabilities, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Company considers the carrying amount of its financial assets and liabilities, which consist primarily of cash, accounts receivable, deposits, operating lease, prepaid expenses and other current assets, contract liabilities, income tax payable, amounts due to a related party, accrued expenses, bank borrowings, and other current liabilities approximate the fair value of the respective assets and liabilities as of December 31, 2023 and 2024 owing to their short-term nature or present value of the assets and liabilities.

The Company values its short-term investments which mainly consist of foreign exchange investment with certain brokerage companies to trade with foreign currencies, based on the quoted market value and the Company classifies the valuation techniques that use these inputs as Level 1, because the prices of the foreign currencies are quoted in the active market.

The following table sets forth the Company's assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy as shown in the following table.

	As of December 31, 2023			Balance at fair value
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	
Assets				
Investment at fair value - Foreign exchange investment	343,862	-	-	343,862
As of December 31, 2024				
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$	Balance at fair value HK\$
Assets				
Investment at fair value - Foreign exchange investment	343,862	-	-	343,862
	US\$	US\$	US\$	US\$
Investment at fair value - Foreign exchange investment	44,268	-	-	44,268

The Company's non-financial assets, such as property and equipment would be measured at fair value only if they were determined to be impaired.

2. Summary of Significant Accounting Policies (Continued)

Cash

Cash include cash on hand and demand deposits in accounts maintained with commercial banks that can be added or withdrawn without limitation with original maturities of less than three months. The Company maintains the bank accounts in Hong Kong. Effective October 1, 2024, cash balances in bank accounts in Hong Kong are protected up to HK\$800,000 per account holder in each bank which is a member of the Hong Kong Deposit Protection Scheme.

Restricted Cash

Restricted cash represents an indemnity escrow that was funded by the Company and held by the escrow agent for the purpose of satisfying the indemnification obligations of the Company pursuant to the underwriting agreement in connection with the IPO. The escrow will be refundable in 18 months following the close of the initial public offering on April 24, 2024.

Accounts Receivable

On January 1, 2023, the Company adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASC 326”). ASC 326 requires the application of a credit loss model based prospectively on current expected credit losses (CECL), and replaces the previous model based retrospectively on past incurred losses. The Company adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost, with no material cumulative-effect adjustment to shareholders’ equity recognized as of January 1, 2023.

The Company carries accounts receivable at the face amounts less an allowance for estimated credit losses. The Company estimated its allowance for credit losses using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. Upon the adoption of ASC 326 on January 1, 2023, the Company recorded HK\$998,020 adjustments for credit losses related to accounts receivable on the consolidated financial statement. As of December 31, 2023 and 2024, the allowance for credit losses was HK\$1,495,119 and HK\$966,947 (US\$124,483), respectively. A receivable balance is written off when deemed uncollectable, which typically means once a customer cannot be reached and there has been no payment activity on the account for over 365 days. During the year ended December 31, 2024, the Company wrote off its accounts receivable in an amount of HK\$1,318,165 (US\$169,698), which was deemed uncollectable.

Prepaid expenses and deposits

Prepaid expenses represent advance payments made to the service providers for the IT solution services and the vendors for certain prepaid services such as marketing and insurance. Deposits include utility and rental security deposits made to an electrical company and a lessor for the Company’s office leased since January 2022. The office lease that was renewed in January 2024 will expire in January 2026. Accordingly, such payments are classified as non-current. The security deposits will be refunded to the Company upon the termination of the electrical services, the termination or expiration of the lease agreement as well as the delivery of the vacant leased properties to the lessor by the Company.

Prepaid expenses and deposits are unsecured and are reviewed periodically to determine whether their carrying value has become impaired. As of December 31, 2023, management believes that the Company’s prepaid expenses and deposits were not impaired, and there is no material impact over the initial adoption of CECL model in view of the advanced payments made to the service providers for the IT solution and insurance services and the vendors for certain prepaid services were mainly for the coming 12 months and the risk of relatively low.

As of December 31, 2024, the Company’s incurred significant advance payments to the lessor and service providers for marketing and legal and professional services and recorded the current portion prepaid expenses and deposits, net and non-current portion of prepaid expenses and deposits, net in the amount of HK\$10,540,963 (US\$1,357,025) and HK\$3,546,051 (US\$456,512), respectively. To estimate the expected credit losses related to the prepaid expenses and deposits, the Company identified the nature of the individual prepaid expense and deposit item and measured the relevant risk characteristics of its prepaid expenses and deposits with low risk, medium risk, high risk and default. For each pool of prepaid expense and deposit, the Company considered its historical loss experience with the vendor, current and future business conditions and economic environment in which the vendor operates as well as specific industry factors as of the date this report was issued. The Company also evaluated the external data and macroeconomic factors. As of December 31, 2024, the Company anticipated that the expected credit risk of prepaid expenses and deposits as low and recognized a provision for credit losses for its current portion of prepaid expenses and deposits and non-current portion of prepaid expenses and deposits in an amount of HK\$78,909 (US\$10,158) and HK\$24,273 (US\$3,125), respectively.

Deferred IPO costs

Deferred IPO costs consist primarily of direct expenses paid to attorneys, consultants, underwriters, and other parties related to the Company’s IPO. The balance will be offset with the proceeds received at the closing of the IPO. The Company completed its IPO on April 24, 2024, and reclassified its deferred offering costs, HK\$14,123,843 (US\$1,818,278), from non-current assets to shareholders’ equity and recorded against the net proceeds from the offering.

2. Summary of Significant Accounting Policies (Continued)

Lease

The adoption of Topic 842 resulted in the presentation of operating lease right of use (“ROU”) assets and operating lease liabilities on the consolidated balance sheet. See Note 8 for additional information.

The lease standard provides practical expedients for an entity ongoing accounting. The Company elected to apply the short-term lease exception for lease arrangements with a lease term of 12 months or less at commencement. Lease terms used to compute the present value of lease payments do not include any option to extend or renew the lease that the Company is not able to reasonably certain to exercise upon the lease inception. Accordingly, operating lease right-of-use assets and liabilities do not include leases with a lease term of 12 months or less.

The Company did not adopt the practical expedient that allows lessees to treat the lease and non-lease components of a lease as a single lease component. Non-lease components include payments for building management, utilities and property tax. It separates the non-lease components from the lease components to which they relate.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is or contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange of a consideration. To assess whether a contract is or contains a lease, the Company assess whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all the economic benefits from the use of the asset and whether it has the right to control the use of the asset.

The operating right-of-use assets and related operating lease liabilities are recognized at the lease commencement date. The Company recognizes operating lease expenses on a straight-line basis over the lease term.

The Company reviews the impairment of its ROU assets consistent with the approach applied for its other long-lived assets.

Operating lease right-of-use of assets

The right-of-use of asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and less any lease incentive received.

Operating lease liabilities

Lease liability is initially measured at the present value of the outstanding lease payments at the commencement date, discounted using the Company incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed lease payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee and any exercise price under a purchase option that the Company is reasonably certain to exercise.

Lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if there is any change in the Company assessment of option purchases, contract extensions or termination options.

2. Summary of Significant Accounting Policies (Continued)

Property and Equipment, net

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation is provided for on a straight-line basis over the estimated useful lives of the related assets as follows:

Computer equipment	2 years
Furniture and fixture	3 years
Office equipment	3 years
Leasehold improvements	Shorter of 5 years or the remaining lease term

Expenditures for maintenance and repairs, which do not materially extend the useful lives of the assets, are charged to expense as incurred. Expenditures for major renewals and betterments which substantially extend the useful life of assets are capitalized. The cost and related accumulated depreciation of assets retired or sold are removed from the respective accounts, and any gain or loss is recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss) in other income or expenses.

The Company also re-evaluates the periods of depreciation to determine whether subsequent events and circumstances warrant revised estimates of useful lives.

Intangible assets, net

The Company's internally developed software is used in providing financial trading solutions services to customers and the customers access and uses the software over the internet or via a dedicated line in which an end user of the software does not take possession of the software. In accordance with ASC 350-40, internally developed software is capitalized during the application development stage. Research and development expenses related to salaries and payroll related costs for employees involved in the preliminary project stage and activities occurring after the implementation of the software are expensed as incurred. Costs incurred for software upgrades are capitalized if they result in additional functionalities or substantial enhancements. Development costs cease capitalization upon completion of all substantial testing when the software is substantially complete and ready for its intended use and are amortized on a straight-line basis over the estimated useful life, which is generally three years. Amortization of internal-use software begins when the software is ready for its intended use.

The Company evaluates annually its intangible assets for potential impairment when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. There were no impairments of intangible assets as of December 31, 2022, 2023 and 2024.

The estimated useful lives of intangible assets are as follows:

Internally developed software	3 years
Software	3 years

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived assets whenever events or changes in circumstances (such as a significant adverse change to market conditions that will impact the future use of the assets) indicate that the carrying amount of an asset may no longer be recoverable. When these events occur, the Company measures impairment by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Company would recognize an impairment loss, which is the excess of carrying amount over the fair value of the assets, using the expected future discounted cash flows. There were no impairment losses on long-lived assets for the years ended December 31, 2022, 2023 and 2024.

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The core principle of the new revenue standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when the company satisfies a performance obligation.

The Company has elected to apply the practical expedient in paragraph ASC 606-10-50-14 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

The Company elected a practical expedient that it does not adjust the promised amount of consideration for the effects of a significant financing component if the Company expects that, upon the inception of revenue contracts, the period between when the Company transfers its promised services or deliverables to its clients and when the clients pay for those services or deliverables will be one year or less.

As a practical expedient, the Company elected to expense the incremental costs of obtaining a contract when incurred if the amortization period of the asset that the Company otherwise would have recognized is one year or less.

The Company is engaged in the development and provision of financial trading solutions to customers via internet or platform as software as a service.

The transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. The transaction price allocated to each performance obligation is recognized when that performance obligation is satisfied, at a point in time or over time as appropriate.

The Company enters into contracts with customers that include promises to transfer various services, which are generally capable of being distinct and accounted for as separate performance obligations. Revenue is recognized when the promised services are transferred to customers, in an amount that reflects the consideration allocated to the respective performance obligation.

The Company provides trading solution services to customers (including brokers and institutional clients) for their trading on forex, commodity and bullion, through the Company's internally developed trading platform as software as a service. The Company's internally developed software is used in providing financial trading solutions services to customers and the customers access and uses the software over the internet or via a dedicated line in which an end user of the software does not take possession of the software. The Company's trading solution provides a variety of functions suitable for front-end transaction executions and back-office settlement operations. In a contract with a customer, it would normally require the Company to perform or delivery one or more of the following in return for a consideration. The contract normally includes one or more of the following services, subject to the request of the customers, and the transaction price of each service fee has stated stand-alone in the contract with reference to the Company's price list. The Company identified each distinct service as a performance obligation. The recognition and measurement of revenues is based on the assessment of individual contract terms.

The Company's principal revenue stream includes:

(a) Initial set up, installation and customization services

The Company provides initial set up, installation and customization services of trading platform solution and financial value-added services for each customer as agreed upon in the contracts. Initial set up, installation and customization services are services to help the customer to configure the platform according to the needs of the customers. The Company provides specific customization as part of its development and provision of financial trading solutions. The Company's customization services include development of customer-requested functions and features on the Company's platform per customer specifications, i.e., the software specifications. Such services are undertaken specifically for the customer in question and do not necessarily benefit other customers.

2. Summary of Significant Accounting Policies (Continued)

As the initial set up, installation and customization services are capable of being distinct and the promise to transfer the service is distinct within the context of the contract, the Company concludes that the initial set up, installation and customization services to be accounted for as a single performance obligation. The entire transaction prices of initial set up, installation and customization services are allocated to a single performance obligation and the Company recognizes revenue based on its effort or inputs to the satisfaction of a performance obligation over time as work progresses because of the continuous transfer of control to the customer. The Company uses input method represent a reasonable measure of progress towards the satisfaction of a performance in order to estimate the portion of revenue earned.

(b) Subscriptions

The Company provides customers the right to access its internally developed trading platform for the use of the trading solutions services for a specified period of time.

The Company concludes that each monthly subscription fee (1) is distinct and (2) meets the criteria for recognizing revenue over time. In addition, the Company concludes that the services provided each month are substantially similar and result in the transfer of substantially similar services to the customers each month. That is, the benefit consumed by the clients is substantially similar for each month. Therefore, the Company concludes that the monthly subscription fee satisfies the requirements of ASC 606-10-25-14(b) to be accounted for as a single performance obligation. The Company recognizes revenues from subscriptions ratably when it satisfies its performance obligations throughout the contract terms.

(c) Hosting, support and maintenance services

The Company provides hosting, technical support and maintenance services to customers for the use of the trading solutions services for a specific period. The Company concludes that each monthly hosting, support and maintenance service fee (1) is distinct and (2) meets the criteria for recognizing revenue over time. In addition, the Company concludes that the services provided each month are substantially similar and result in the transfer of substantially similar services to the customers each month. That is, the benefit consumed by the clients is substantially similar for each month. Therefore, the Company concludes that the monthly hosting, support and maintenance service fee satisfies the requirements of ASC 606-10-25-14(b) to be accounted for as a single performance obligation. The Company recognizes revenues from hosting, support and maintenance services ratably when it satisfies its performance obligations throughout the contract terms.

(d) Liquidity services

The Company provides liquidity services to customers for the use of the fully automatic hedging solution and sending their clients' orders directly to liquidity providers such as institutional brokers, market makers, exchanges and prime of prime brokers. The Company's liquidity services enable its customers to access and match with the liquidity made available by liquidity providers through the Company's trading solutions. The liquidity services are distinct and are identified as one performance obligation. As stipulated in the contract, the Company will charge a liquidity service income based on the transaction volume of orders sent directly to the liquidity providers under the liquidity services provided by the Company, with a minimum monthly fee for certain customers. The Company will review the customers' transaction volume of orders monthly and the revenue from providing liquidity services between customers and liquidity providers is recognized at point in time.

(e) White label services

The Company provides white label services to customers by allowing them to add additional labels or brands to the trading platform services. This provides customers the highest flexibility to operate their trading platform business based on their individual business development strategy or marketing needs at a lower operating cost. The Company concludes that each monthly white label service fee at fixed rate (1) is distinct and (2) meets the criteria for recognizing revenue over time. In addition, the Company concludes that the services provided each month are substantially similar and result in the transfer of substantially similar services to the customers each month. That is, the benefit consumed by the clients is substantially similar for each month. Therefore, the Company concludes that the monthly white label service fee satisfies the requirements of ASC 606-10-25-14(b) to be accounted for as a single performance obligation. The Company recognizes revenues from white label services ratably when it satisfies its performance obligations throughout the contract terms.

2. Summary of Significant Accounting Policies (Continued)

(f) *Quotes/news/package subscription services*

The Company provides subscription services to customers for professional strategy analysis, economic calendar, instant news, real-time quotes and data feed. The Company will subscribe the information or data from the service providers and will convert the raw data into usable data that can be used in the trading platform of the Company. The Company concludes that each monthly subscription fee at fixed rate (1) is distinct and (2) meets the criteria for recognizing revenue over time. In addition, the Company concludes that the services provided each month are substantially similar and result in the transfer of substantially similar services to the customers each month. That is, the benefit consumed by the clients is substantially similar for each month. Therefore, the Company concludes that the monthly subscription service fee satisfies the requirements of ASC 606-10-25-14(b) to be accounted for as a single performance obligation. The Company recognizes revenues from subscription services ratably when it satisfies its performance obligations throughout the contract terms.

The following table presents disaggregated information of revenues by business lines for the years ended December 31, 2022, 2023 and 2024, respectively:

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Initial set up, installation and customization services	7,140,076	8,973,079	2,700,199	347,619
Subscriptions	11,414,976	11,445,019	11,419,059	1,470,070
Hosting, support and maintenance services	4,186,369	4,338,184	4,893,759	630,014
Liquidity services	6,699,586	2,626,516	1,902,895	244,975
White label services	1,889,188	2,122,198	3,018,561	388,604
Quotes/news/package subscription services	3,601,632	2,456,181	2,150,845	276,896
Total revenue	34,931,827	31,961,177	26,085,318	3,358,178

Revenue disaggregated by timing of revenue recognition for 2022, 2023 and 2024 is disclosed in the table below:

	For the years ended December 31,			
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Point in time	6,699,586	2,626,516	1,902,895	244,975
Over time	28,232,241	29,334,661	24,182,423	3,113,203
Total revenue	34,931,827	31,961,177	26,085,318	3,358,178

The Company also selected to apply the practical expedients allowed under ASC Topic 606 to omit the disclosure of remaining performance obligations for contracts with an original expected duration of one year or less. There is no loss contract for the three years ended December 31, 2022, 2023 and 2024. As of December 31, 2022 and 2023, all contracts of the Company were with an original expected duration within one year. As of December 31, 2024, we recorded HK\$104,714 (US\$13,481) in the non-current portion of contract liabilities for the contracts with an original expected duration of over one year.

2. Summary of Significant Accounting Policies (Continued)

Contract Liabilities

The Company's contract liabilities include payments received in advance of performance under trading solution service contracts which will be recognized as revenue as the Company executed the trading solution services with customers under the contract, as well as the deferred installation service fee received from trading solution services.

Contract Liabilities are recognized when the customers pay consideration before the Company recognizes the related revenue. Contract Liabilities would also be recognized if the Company has an unconditional right to receive consideration before the Company recognizes the related revenue.

Other Income (expense), net

Government subsidies primarily relate to (i) one-off entitlement granted by the Hong Kong government pursuant to the Employment Support Scheme under the Anti-epidemic Fund in 2022 and (ii) funds for participation in promotion activities in 2023. Employers participating in ESS were required to undertake and warrant that they would: (i) not implement redundancies during the subsidy period; and (ii) spend all the wage subsidies on paying wages to their employees. If an employer fails to use all the subsidies received to pay the wages of his/her employees, the Hong Kong Government will claw back the unspent balance of the subsidy. If the total number of employees on the payroll in any one month of the subsidy period is less than the "committed headcount of paid employees", the employer will have to pay a penalty to the Hong Kong Government. The Company has (i) not implement redundancies during the subsidy period; and (ii) spend all the wage subsidies on paying wages to its employees. There was no unfulfilled conditions nor other contingencies attached to the ESS funding. Government subsidies received and recognized as other income totaled HK\$734,059, HK\$34,261 and HK\$nil for the years ended December 31, 2022, 2023 and 2024, respectively.

Cost of Revenue

The Company's cost of revenue is primarily comprised of the amortization of the internally developed software, staff costs and other direct costs associated with providing trading solution services, including data center and support costs related to delivering online services. These costs are expenses as incurred.

Research and development

Research and development expenses primarily consist of payroll and other personnel-related expenses of the Company's software development team.

2. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Company accounts for income taxes under ASC 740. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period including the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The provisions of ASC 740-10-25, “Accounting for Uncertainty in Income Taxes,” prescribe a more-likely-than-not threshold for consolidated financial statement recognition and measurement of a tax position taken (or expected to be taken) in a tax return. This interpretation also provides guidance on the recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, accounting for interest and penalties associated with tax positions, and related disclosures.

The Company believes there were no uncertain tax positions as of December 31, 2023 and 2024, respectively. The Company does not expect that its assessment regarding unrecognized tax positions will materially change over the next 12 months. In general, the Inland Revenue Department of Hong Kong has up to seven years to conduct examinations of the Company’s tax filings. Accordingly, the tax years from 2018 to 2024 of the Company’s Hong Kong subsidiaries remain open to examination by the taxing jurisdictions. The Company is not currently under examination by an income tax authority, nor has it been notified that an examination is contemplated.

Earnings Per Share

The Company computes earnings per share (“EPS”) in accordance with ASC 260, “Earnings per Share” (“ASC 260”). ASC 260 requires companies with complex capital structures to present basic and diluted EPS. Basic EPS are computed by dividing income available to ordinary shareholders of the Company by the weighted average ordinary shares outstanding during the period. Diluted EPS takes into account the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised and converted into ordinary shares. As of December 31, 2023 and 2024, there were no dilutive shares.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of two components, net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) refers to revenue, expenses, gains and losses that under U.S. GAAP are recorded as an element of shareholders’ equity but are excluded from net income. Other comprehensive income (loss) consists of foreign currency translation adjustment resulting from the Company translating its financial statements from functional currency into reporting currency.

Statement of Cash Flows

In accordance with ASC 230, “Statement of Cash Flows”, cash flows from the Company’s operations are formulated based upon the local currencies. As a result, amounts related to assets and liabilities reported on the statements of cash flows will not necessarily agree with changes in the corresponding balances on the balance sheets.

Commitments and Contingencies

In the normal course of business, the Company is subject to contingencies, such as legal proceedings and claims arising out of its business, which cover a wide range of matters. Liabilities for contingencies are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

If the assessment of a contingency indicates that it is probable that a material loss is incurred and the amount of the liability can be estimated, then the estimated liability is accrued in the Company’s financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence, such as a family member or relative, shareholder, or a related corporation.

[Table of Contents](#)

mF International Limited and Subsidiaries Notes to Consolidated Financial Statements

2. Summary of Significant Accounting Policies (Continued)

Segment Reporting

In accordance with ASC 280, Segment Reporting, an operating segment is identified as a component of an enterprise of which separate financial information and operating results are available and regularly reviewed by the Company's chief operating decision maker ("CODM"). The Company has one operating and reportable segment with one business activity – sale of financial trading solutions via internet or platform to customers. The Company's CODM is its Chief Executive Officer. The Company's CODM reviews financial information presented on a consolidated basis. The CODM uses the consolidated income or loss from operations and net income (loss) to evaluate financial performance, make decisions and allocate resources. The CODM also reviews the functional expenses such as selling and marketing expenses, research and development expenses and general and administrative expenses at the consolidated level to manage the Company's operations. All the Company's assets are located in Hong Kong and all of the Company's revenues and expenses were derived in Hong Kong. The CODM does not use asset or liability information in assessing the Company's operating segment.

Significant Risks

Market Risk of Financial Instrument

We are subject to financial market risks, including changes in foreign currency exchange rate risk with respect to our investment at fair value consisting of short-term foreign exchange investment made by the Company which is denominated in the US\$. The fluctuation in US\$ may result in increase or decrease in the value of our investment at fair value. We consider the foreign exchange risk in relation to transactions denominated in US\$ with respect to HK\$ is not significant as HK\$ is pegged to US\$.

The trades of foreign currencies conducted by the Company are denominated in the US\$ and are paired with currencies with strong liquidity traded in highly transparent markets, including such currencies as the EURO, USD, GBP, CHF, AUD, CAD and NZD, etc. Fluctuation in exchange rates, changes in monetary and/or fiscal policy or inflation in the countries in which the Company paired its trades of foreign currencies could have a material adverse effect on its results of operations. The clear position limits and floating profit/loss limits are set to manage the market risks of its foreign exchange positions.

Currency Risk

The Company's operating activities are transacted in HK\$. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. The Company considers the foreign exchange risk in relation to transactions denominated in HK\$ with respect to US\$ is not significant as HK\$ is pegged to US\$.

Concentration and Credit Risk

Financial instruments that potentially subject the Company to the concentration of credit risks consist of cash, restricted cash, accounts receivable, prepaid expenses and deposits. The maximum exposures of such assets to credit risk are their carrying amounts as of the balance sheet dates. The Company deposits its cash with financial institutions located in Hong Kong. The Company believes that no significant credit risk exists as these financial institutions have high credit quality and the Company has not incurred any losses related to such deposits.

For the credit risk related to accounts receivable, the Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company establishes an allowance for credit losses based upon estimates, factors surrounding the credit risk of specific customers and other information. The allowance amounts were immaterial for all periods presented. The management believes that its contract acceptance, billing, and collection policies are adequate to minimize material credit risk. Application for progress payment of contract works is made on a regular basis. The Company seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the management. The management considers the credit risk of prepayment is relatively low and there is no material impact over the initial adoption of CECL model because the advanced payments made to the service providers for the IT solution and insurance services and the vendors for certain prepaid services were mainly for the coming 12 months.

For the years ended December 31, 2022, 2023 and 2024, all of the Company's assets were located in Hong Kong and all of the Company's revenue were derived from its subsidiaries located in Hong Kong. The Company has a concentration of its revenue and accounts receivable with specific customers.

For the year ended December 31, 2022, one customer accounted for approximately 18.0% of the Company's total revenue. For the years ended December 31, 2023 and 2024, no customer accounted for over 10% of the Company's total revenue.

Three customers' accounts receivable accounted for 40.3%, 16.8% and 16.2% of the total accounts receivable as of December 31, 2024, respectively.

Two customers' accounts receivable accounted for 13.9% and 10.1% of the total accounts receivable as of December 31, 2023, respectively.

For the years ended December 31, 2022 and 2023, no vendor accounted for over 10% of the Company's total purchase. For the year ended December 31, 2024, no vendor accounted for over 10% of the Company's total cost of revenue.

Interest rate risk

Fluctuations in market interest rates may negatively affect the Company's financial condition and results of operations. The Company is exposed to floating interest rate risk on cash deposit and floating rate borrowings, and the risks due to changes in interest rates is not material. The Company has not used any

derivative financial instruments to manage the interest risk exposure.

2. Summary of Significant Accounting Policies (Continued)

Recently Issued Accounting Standards adopted by the Company

The ASU 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures provides improvements to reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. In addition, the amendments enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple measures of segment profit or loss, provide new segment disclosure requirements for entities with a single reportable segment and contain other disclosure requirements. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods in fiscal years beginning after December 15, 2024. The ASU should be adopted retrospectively to all periods presented in the financial statements unless it is impracticable to do so. The Company adopted this guidance during the year ended December 31, 2024. The impact of the adoption of this guidance was not material to our financial position or results of operations, as the requirements impact only segment reporting disclosures in our notes to financial statements. See Segment Reporting above for further details.

Recently Issued Accounting Standards, not yet Adopted by the Company

The ASU 2025-01: Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40) issued in January 2025 clarified the effective date of ASU 2024-03 published on November 4, 2024. ASU 2024-03 expanded the disclosure of financial statements under ASC 220-40 and requires public business entities ("PBE") to provide a disaggregated disclosure of certain expense captions into specified categories in disclosure within the footnote to the financial statements while it does not change the expense captions on the face of the income statement. In the footnote to the financial statements, PBEs are required to disaggregate, in a tabular presentation, each relevant expense caption on the face of the income statement that includes any of the following natural expenses: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization (DD&A) recognized as part of oil- and gas-producing activities or other types of depletion expenses. The tabular disclosure would also include certain other expenses, when applicable. This ASU will be effective for PBEs for annual reporting periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is allowed. The Company is evaluating the impact of the adoption of this guidance in its consolidated financial statements.

The ASU 2023-09: Income Taxes (Topic 740): Improvements to Income Tax Disclosures enhances existing income tax disclosures primarily related to the rate reconciliation and income taxes paid information. With regard to the improvements to disclosures of rate reconciliation, a public business entity is required on an annual basis to (1) disclose specific categories in the rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold. Similarly, a public entity is required to provide the amount of income taxes paid (net of refunds received) disaggregated by (1) federal, state, and foreign taxes and by (2) individual jurisdictions in which income taxes paid (net of refunds received) is equal to or greater than 5 percent of total income taxes paid (net of refunds received). The ASU also includes certain other amendments to improve the effectiveness of income tax disclosures, for example, an entity is required to provide (1) pretax income (or loss) from continuing operations disaggregated between domestic and foreign, and (2) income tax expense (or benefit) from continuing operations disaggregated by federal, state, and foreign. ASU 2023-07: Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU will be effective for annual periods beginning after December 15, 2024. Entities are required to apply the ASU on a prospective basis. The adoption of ASU 2023-09 is not expected to materially impact the Company's consolidated balance sheets, statements of income and comprehensive income, cash flows or disclosures.

Other accounting standards that have been issued by FASB that do not require adoption until a future date are not expected to have a material impact on the consolidated financial statements upon adoption. The Company does not discuss recent standards that are not anticipated to have an impact on or are unrelated to its consolidated balance sheets, statements of income and comprehensive income, cash flows or disclosures.

mF International Limited and Subsidiaries
Notes to Consolidated Financial Statements

3. Accounts Receivable, net

Accounts receivable, net consisted of the following at December 31:

	<u>2023</u>	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>US\$</u>
Accounts receivable	4,074,594	2,087,509	268,742
Less: provision for credit losses	(1,495,119)	(966,947)	(124,483)
Accounts receivable, net	<u>2,579,475</u>	<u>1,120,562</u>	<u>144,259</u>

The movement of provision for credit losses are as follows:

	<u>2023</u>	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>US\$</u>
Balance at beginning of the year ended December 31	497,099	1,495,119	192,479
Write-offs	(497,099)	(1,318,165)	(169,698)
Addition	1,495,119	789,993	101,702
Balance at end of the year ended December 31	<u>1,495,119</u>	<u>966,947</u>	<u>124,483</u>

4. Contract Liabilities

Contract liabilities consisted of the following at December 31:

	<u>2023</u>	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>US\$</u>
Billings in advance of performance obligation under contracts, current	4,619,690	8,669,448	1,116,089
Billings in advance of performance obligation under contracts, non-current	-	104,714	13,481

The Company's contract liabilities include payments received in advance of performance under trading solution service contracts which will be recognized as revenue as the Company executed the trading solution services with customers under the contract, as well as the deferred installation and customization service fee received from trading solution services.

The movement in contract liabilities is as follows:

	<u>2023</u>	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>US\$</u>
Balance at beginning of the year ended December 31	4,199,173	4,619,690	594,731
Decrease in contract liabilities as a result of recognizing revenue during the year was included in the contract liabilities at the beginning of the year	(4,199,173)	(6,388,598)	(822,457)
Increase in contract liabilities as a result of billings in advance of performance obligation under contracts	4,619,690	10,543,070	1,357,296
Balance at end of the year ended December 31	4,619,690	8,774,162	1,129,570
Less: Amount expected to be recognized as revenue beyond 12 months	-	(104,714)	(13,481)
Amount expected to be recognized as revenue in 12 months	4,619,690	8,669,448	1,116,089

[Table of Contents](#)

mF International Limited and Subsidiaries
Notes to Consolidated Financial Statements

5. Prepaid Expenses and Deposits, net

Prepaid expenses and deposits, net consisted of the following as of December 31:

	<u>2023</u>	
	<u>HK\$</u>	
Rental and utility deposits	431,972	
Prepayments	371,143	
	<u>803,115</u>	
Less: amount classified as long term deposit	(431,972)	
Prepaid expense and other current asset	<u>371,143</u>	

	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>US\$</u>
Rental and utility deposits	445,272	57,323
Prepayments	-	-
Prepaid insurance	863,840	111,209
Prepaid legal and professional fees	4,043,686	520,577
Prepaid marketing	8,731,108	1,124,027
Prepaid repair and maintenance	80,737	10,394
Prepaid others	25,553	3,290
Total prepaid expenses and deposits	<u>14,190,196</u>	<u>1,826,819</u>
Less: provision for credit losses	(103,182)	(13,283)
Prepaid expenses and deposits, net	<u>14,087,014</u>	<u>1,813,537</u>
Less: amount classified as prepaid expenses and deposits, non-current	(3,546,051)	(456,512)
Prepaid expense and other current assets, current	<u>10,540,963</u>	<u>1,357,025</u>

Prepaid expenses and deposits, non-current, net comprised of the following as of December 31:

	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>US\$</u>
Rental deposits	431,972	55,611
Prepaid legal and professional fees	682,500	87,864
Prepaid marketing	2,414,082	310,785
Prepaid repair and maintenance	41,770	5,377
Prepaid expenses and deposits, non-current	<u>3,570,324</u>	<u>459,637</u>
Less: provision for credit losses	(24,273)	(3,125)
Prepaid expenses and deposits, noncurrent, net	<u>3,546,051</u>	<u>456,512</u>

The movement of provision for credit losses was as follows:

	<u>2023</u>	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>US\$</u>
Balance at beginning of the year ended December 31	-	-	-
Addition	-	103,182	13,283
Balance at end of the year ended December 31	<u>-</u>	<u>103,182</u>	<u>13,283</u>

6. Property and Equipment, net

Property and equipment, stated at cost less accumulated depreciation, consisted of the following as of December 31:

	<u>2023</u>	<u>2024</u>	<u>2024</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>US\$</u>
Computer equipment	2,151,472	2,560,271	329,605
Furniture and fixture	590,217	590,217	75,983
Office equipment	90,057	90,057	11,594
Leasehold improvements	652,073	652,073	83,946
Less: accumulated depreciation	(3,447,308)	(3,489,511)	(449,233)
Net book value	<u>36,511</u>	<u>403,107</u>	<u>51,895</u>

Depreciation expense of property and equipment totaled HK\$222,173, HK\$134,951 and HK\$96,880 (US\$12,472) for the years ended December 31, 2022, 2023 and 2024, respectively. During the year ended December 31, 2024, the Company disposed of a computer server with a cost of HK\$54,677, which was acquired before the fiscal year ended December 31, 2012 and was fully depreciated. The Company did not sell the equipment; accordingly, no gain or loss for this disposal was recorded. No impairment charge was recognized for any of the periods presented.

7. Intangible Assets, net

Intangible assets, stated at cost less accumulated amortization, consisted of the following as of December 31:

	2023	2024	2024
	HK\$	HK\$	US\$
Software	223,381	223,381	28,757
Internally developed software	62,688,252	70,655,285	9,096,037
Less: accumulated amortization	(47,575,044)	(52,091,503)	(6,706,168)
	15,336,589	18,787,163	2,418,626

Amortization expense of intangible assets totaled HK\$6,160,391, HK\$5,514,165 and HK\$4,516,459 (US\$581,441) for the years ended December 31, 2022, 2023 and 2024, respectively. No impairment charge was recognized for any of the periods presented.

Amortization expense expected for the next five years is as follows:

Twelve months ending December 31,	HK\$	US\$
2025	4,411,930	567,983
2026	6,309,871	812,322
2027	4,608,778	593,326
2028	3,456,584	444,995
Total	18,787,163	2,418,626

8. Leases

The Company leases office under non-cancelable operating lease agreement. Pursuant to the new lease standard ASC 842-10-55, this lease is treated as operating leases. The Company's lease agreements do not have a discount rate that is readily determinable. The incremental borrowing rate is determined at lease commencement or lease modification and represents the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. Management determined the incremental borrowing rate was 4.84% and 4.88% for the lease that began in 2023 and 2024, respectively. This lease is on a fixed payment basis. None of the leases include contingent rentals.

Description of lease	Lease term
Office in Wanchai, Hong Kong	3 years from January 31, 2019 to January 30, 2022
Office at Wanchai, Hong Kong	2 years from January 31, 2022 to January 30, 2024
Office at Wanchai, Hong Kong	2 years from January 31, 2024 to January 30, 2026

(a) Amounts recognized in the consolidated balance sheet:

	2023 HK\$	2024 HK\$	2024 US\$
Right-of-use assets	2,957,515	1,563,916	201,336
Operating lease liabilities - current	1,392,826	1,440,666	185,469
Operating lease liabilities - non-current	1,570,307	123,249	15,867
Weighted average remaining lease term (in years)	2.08	1.08	
Weighted average discount rate (%)	4.84	4.88	

(b) A summary of lease cost recognized in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss) and supplemental cash flow information related to operating leases is as follows:

	2022 HK\$	2023 HK\$	2024 HK\$	2024 US\$
Amortization charge of right-of-use assets	1,601,824	1,597,585	1,404,578	180,823
Interest of lease liabilities	93,435	35,521	89,805	11,561
Cash paid for operating leases	1,663,674	1,659,126	1,500,000	193,107
Operating lease right-of-use assets, obtained in exchange for operating lease liabilities	3,194,319	2,824,383	2,835,821	365,079

(c) The following table shows the remaining contractual maturities of the Company's operating lease liabilities as of December 31, 2024:

	HK\$	US\$
2025	1,485,000	191,176
2026	123,750	15,931
Total future lease payments	1,608,750	207,107
Less: imputed interest	(44,834)	(5,771)
Present value of operating lease liabilities	1,563,916	201,336

[Table of Contents](#)

mF International Limited and Subsidiaries
Notes to Consolidated Financial Statements

9. Accrued Expenses and Other Current Liabilities

Components of accrued expenses and other current liabilities are as follows as of December 31:

	2023 HK\$	2024 HK\$	2024 US\$
Accrued bonus	1,319,259	2,068,692	266,320
Accrued commission	-	75,713	9,747
Accrued employee benefits	-	99,512	12,811
Accrued legal and professional fee	168,000	-	-
Accrued network and data services	-	146,857	18,906
Accrued others	295,006	130,069	16,745
Total accrued expenses and other payables	1,782,265	2,520,843	324,529

10. Bank Borrowings

Components of bank borrowings are as follows as of December 31:

	2023 HK\$	2024 HK\$	2024 US\$
Bank of Communications (Hong Kong) Limited – Loan 1 (1)	4,031,479	2,358,837	303,673
Standard Chartered Bank (Hong Kong) Limited – Loan 2 (2)	3,140,250	1,917,055	246,798
Standard Chartered Bank (Hong Kong) Limited – Loan 3 (3)	2,114,745	1,414,102	182,049
Standard Chartered Bank (Hong Kong) Limited – Loan 4 (4)	640,282	369,692	47,593
Total	9,926,756	6,059,686	780,113
Less: current portion of long-term bank borrowings	(3,863,852)	(4,012,047)	(516,504)
Non-current portion of long-term bank borrowings	6,062,904	2,047,639	263,609

- (1) On April 25, 2019, m-FINANCE borrowed HK\$11,000,000 as working capital for 7 years from April 25, 2019 to April 24, 2026 at an annual interest rate of 4.25% (2023: 4.125%) under the loan agreement with Bank of Communications (Hong Kong) Limited signed on April 16, 2019. The loan was secured by personal guarantee from Tai Wai (Stephen) Lam, who is the director and shareholder of the Company.
- (2) On December 22, 2020, m-FINANCE borrowed HK\$5,000,000 as working capital for 60 months from December 22, 2020 to June 20, 2026 at an annual interest rate of 3.00% (2023: 2.75%) under the loan agreement with Standard Chartered Bank (Hong Kong) Limited. The loan was secured by personal guarantees from Tai Wai (Stephen) Lam and Chi Weng Tam, who are the directors and shareholders of the Company.
- (3) On November 2, 2021, mFTT borrowed HK\$2,847,150 as working capital for 5 years from November 2, 2021 to November 2, 2026 at an annual interest rate of 3.00% (2023: 2.75%) under the loan agreement with Standard Chartered Bank (Hong Kong) Limited. The loan was secured by personal guarantees from Tai Wai (Stephen) Lam, who is one of the directors and shareholders of the Company.
- (4) On May 31, 2021, m-FINANCE borrowed HK\$1,000,000 as working capital for 5 years from May 31, 2021 to May 31, 2026 at an annual interest rate of 3.00% (2023: 2.75%) under the loan agreement with Standard Chartered Bank (Hong Kong) Limited. The loan was secured by personal guarantees from Tai Wai (Stephen) Lam, who is one of the directors and shareholders of the Company.

Interest expenses pertaining to the above bank borrowings for the years ended December 31, 2022, 2023 and 2024 amounted to, HK\$443,577, HK\$483,623 and HK\$325,084 (US\$41,851), respectively. The weighted average annual interest rate for the years ended December 31, 2022, 2023 and 2024 was 3.3%, 4.87% and 3.69%, respectively.

Maturities of the bank borrowings were as follows:

	HK\$	US\$
2025	4,158,599	535,371
2026	2,069,832	266,467
Total bank borrowings repayments	6,228,431	801,838
Less: imputed interest	(168,745)	(21,725)
Total	6,059,686	780,113

mF International Limited and Subsidiaries
Notes to Consolidated Financial Statements

11. Income Taxes

British Virgin Islands

Under the current and applicable laws of BVI, the Company is not subject to tax on income or capital gains.

China

The Company's subsidiary, m-FINANCE Software (Shenzhen) Limited ("SZ WFOE"), established in the PRC, was subject to PRC Enterprises Income Tax rate of 25% for the years ended December 31, 2022 and 2023. This entity was deregistered on March 21, 2023.

Hong Kong

In accordance with the relevant tax laws and regulations of Hong Kong, a company registered in Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. From year of assessment of 2018/2019 onwards, Hong Kong profit tax rates are 8.25% on assessable profits up to HK\$2,000,000, and 16.5% on any part of assessable profits over HK\$2,000,000.

The components of the income tax provision are as follows:

	For the years ended December 31,			
	2022 HK\$	2023 HK\$	2024 HK\$	2024 US\$
Current tax				
Hong Kong	229,355	(5,877)	-	-
Total current tax	229,355	(5,877)	-	-
Deferred tax:				
Hong Kong	158,490	154,186	781,759	100,642
Total deferred tax	158,490	154,186	781,759	100,642
Total income tax expense	387,845	148,309	781,759	100,642

The Company measures deferred tax assets and liabilities based on the difference between the financial statement and tax bases of assets and liabilities at the applicable tax rates. Components of the Company's deferred tax asset and liability are as follows:

	For the years ended December 31,			
	2022 HK\$	2023 HK\$	2024 HK\$	2024 US\$
Deferred tax assets:				
- Depreciation of property and equipment	85,519	92,438	25,168	3,240
- Net operating loss carry forwards	-	145,144	2,852,133	367,179
Total deferred tax assets	85,519	237,582	2,877,301	370,419
Less: valuation allowance	-	-	(2,852,133)	(367,179)
Deferred tax assets, net	85,519	237,582	25,168	3,240
Deferred tax liabilities:				
- Amortization of capitalized development costs	(2,238,187)	(2,530,537)	(3,099,882)	(399,073)
Deferred tax liabilities, net	(2,152,668)	(2,292,955)	(3,074,714)	(395,833)

The Company evaluated the recoverable amounts of deferred tax assets, and provided a valuation allowance to the extent that future taxable profits will be available against which the net operating loss and temporary difference can be utilized. The Company considers both positive and negative factors when assessing the future realization of the deferred tax assets and applied weigh to the relative impact of the evidence to the extent it could be objectively verified.

As of December 31, 2024, the Company had net operating loss carry-forward of HK\$17,285,658 (US\$2,225,325), including HK\$17,078,112 (US\$2,198,606) and HK\$207,546 (US\$26,719) from m-FINANCE and mFTT, respectively. These losses can offset future taxable income and can be carried forward indefinitely under the current tax legislation in Hong Kong. Due to the unstable macroeconomic situation, the Company determined that it is more likely than not that the Company may not earn sufficient taxable income to offset its net operating loss carryforward. Accordingly, it applied a full valuation allowance against its net operating loss carryforward.

The Company recognized deferred tax liabilities related to taxable temporary differences arising on amortization of capitalized development costs. The deferred tax liabilities will reverse as the capitalized development costs are amortized.

11. Income Taxes (Continued)

Reconciliation between the provision for income taxes computed by applying the Hong Kong Profits Tax rate of 16.5% to income before income taxes and the actual provision of income taxes is as follows:

For the years ended December 31,				
	2022	2023	2024	2024
	HK\$	HK\$	HK\$	US\$
Profit (loss) before income taxes	7,206,444	6,777,190	(19,429,233)	(2,501,284)
Hong Kong Profits Tax rate	16.5%	16.5%	16.5%	16.5%
Income taxes computed at Hong Kong Profits Tax rate	1,189,063	1,118,236	(3,205,824)	(412,711)
Reconciling items:				
Tax effect of income that is not taxable	(115,120)	(42,605)	(24,777)	(3,190)
Tax effect of expenses that are not deductible (2)	752,329	587,035	527,337	67,888
The effect of tax rates in different tax jurisdictions	8,250	4,950	2,241,106	288,516
Research and development credit (1)	(1,318,956)	(1,529,698)	(1,644,560)	(211,718)
Effect of two-tier tax rate	(85,438)	-	-	-
Change in valuation allowance	(84,710)	-	2,852,133	367,179
Others	42,427	10,391	36,344	4,678
Income tax expenses	387,845	148,309	781,759	100,642

An uncertain tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded. Penalties and interest incurred related to underpayment of income tax are classified as income tax expense in the period incurred. No significant penalties or interest relating to income taxes have been incurred during the years ended December 31, 2022, 2023 and 2024.

- (1) Research and development credit was arising from the tax authority of Hong Kong provided enhanced tax deduction for expenditure incurred by enterprises on a qualifying research and development activity and enterprises will be able to enjoy additional tax deduction for expenditure incurred on domestic research and development.

Research and development expenditures eligible for deduction are classified into “Type A expenditures” which are qualified for 100 per cent deduction, and “Type B expenditures” which are qualified for the enhanced tax deduction. Type B expenditures have a two-tiered deduction regime. The deduction is 300 per cent for the first HK\$2 million of the aggregate amounts of payments made to designated local research institutions for qualifying research and development activities and expenditures incurred by enterprises from carrying out in-house qualifying research and development activities. The remaining amount is qualified for 200 per cent deduction. There is no cap on the amount of enhanced tax deduction and the deduction is applicable to all enterprises. Enterprises can claim the enhanced tax deduction in relation to the qualifying research and development expenditures on or after April 1, 2018. Since the Company’s expenditures on research and development were incurred from carrying out in-house qualifying research and development activities, its expenditures on research and development were eligible for deduction as Type B expenditures.

- (2) These non-deductible expenses included on non-deductible IPO expenses, allowance for credit losses and penalty and entertainment.

mF International Limited and Subsidiaries
Notes to Consolidated Financial Statements

12. Related Party Balance and Transactions

As of December 31, 2023 and 2024, the balances of accounts receivable from a related party were as follows:

a. Accounts receivable – a related party

		<u>2023</u> <u>HKS</u>	<u>2024</u> <u>HKS</u>	<u>2024</u> <u>US\$</u>
PrimeTime Global Technologies Limited	(1)	410,899	-	-

(1) PrimeTime Global Technologies Limited, indirectly controlled by Gaderway Investments Limited, the shareholder of the Company. The balance represented the accounts receivable from PrimeTime Global Technologies Limited for the subscription income and commission income. The balance as at December 31, 2022 and 2023 has been settled on May 10, 2023 and February 22, 2024, respectively. For details, please refer to “e. Related Party Transactions” below.

b. Due to a related party

As of December 31, 2023 and 2024, the balances of amounts due to a related party were as follows:

		<u>2023</u> <u>HKS</u>	<u>2024</u> <u>HKS</u>	<u>2024</u> <u>US\$</u>
Gaderway Investments Limited	(1)	306,110	306,110	39,408

(1) Gaderway Investments Limited, the shareholder of the Company. The balance represented the amount advance to the Company. These amounts were unsecured, interest-free and repayable on demand.

c. Related Party Transactions

The following is a list of related parties which the Company has transactions with:

(a) PrimeTime Global Technologies Limited, indirectly controlled by Gaderway Investments Limited, the shareholder of the Company.

(b) PrimeTime Global Markets Limited, indirectly controlled by Gaderway Investments Limited, the shareholder of the Company.

For the years ended December 31, 2022, 2023 and 2024, the related party transactions were as follows:

	Note	<u>2022</u> <u>HKS</u>	<u>2023</u> <u>HKS</u>	<u>2024</u> <u>HKS</u>	<u>2024</u> <u>US\$</u>
Outsourcing fee paid to PrimeTime Global Technologies Limited (a)	1	113,410	-	-	-
Outsourcing fee paid to PrimeTime Global Markets Limited (b)	1	191,795	-	-	-
Subscription fee paid to PrimeTime Global Markets Limited (b)	2	290,160	-	-	-
Subscription fee received from PrimeTime Global Technologies Limited (a)	3	180,015	46,080	-	-
Sales commission received from PrimeTime Global Technologies Limited (a)	4	235,194	364,819	-	-

During the years ended December 31, 2022 and 2023, the Company declared dividends to its shareholders. No dividend was declared in the year ended December 31, 2024. For details, please refer to Note 13. Shareholders' Equity.

Notes:

- The Company outsourced some works to the related parties, PrimeTime Global Markets Limited and PrimeTime Global Technologies Limited for handling software implementation work and supporting services including quality assurance, technical support and maintenance services for the Company and the related parties charged an outsourcing fee for providing such services. Since the Company wants to focus on its human resources for developing new functions and upgrading existing functions, it outsources some of its ancillary works to related parties and independent third parties. The outsourcing fee was recorded as an outsourcing fee in the cost of revenue.
- PrimeTime Global Markets Limited charged the Company a subscription fee when the Company used PrimeTime Global Markets Limited's white label services. While PrimeTime Global Markets Limited provided white label hosting support services, the related party transaction is conducive to the stability of the operation of the Company's white label services. The subscription fee was recorded as an expense to net off against the sundry income as other income incurred over the same period.
- The Company charged PrimeTime Global Technologies Limited a subscription fee when it used the subscription services of the Company. The subscription income was recorded as revenue.
- The Company charged PrimeTime Global Technologies Limited for sales commission from business referred by the Company. The Company will charge a commission fee at an agreed upon percentage from the sales amount referred by the Company to PrimeTime Global Technologies Limited. The sales commission was recorded as commission income in the other income.

d. Personal guarantees from related parties for bank loans

Tai Wai (Stephen) Lam and Chi Weng Tam, the executives and directors of the Company, as well as the shareholders of Gaderway Investments Limited, have jointly or severally provided personal guarantees for several bank loans of the Company. For details, please refer to Note 11.

13. Shareholders' Equity

Ordinary Shares

The Company was established under the laws of the British Virgin Islands on June 15, 2022. The Company is authorized to issue an unlimited number of Ordinary Shares of no par value. On June 15, 2022, the Company issued 50,000 shares to the controlling shareholder at no par value. On August 11, 2023, the Company's sole shareholder, Gaderway Investments Limited, approved a share split of its outstanding ordinary shares at a ratio of 1:231.7, which became effective immediately, resulting in 11,585,000 ordinary shares issued and outstanding after the share split. All shares and per share amounts used herein and in the accompanying consolidated financial statements have been retroactively adjusted to reflect the share split pursuant to ASC 260-10-55-12.

As a result, there are total 11,585,000 ordinary shares issued and outstanding as of December 31, 2023. The issuance of these 11,585,000 ordinary shares is considered as part of the Reorganization of the Company, which was retrospectively applied as if the transaction occurred at the beginning of the period presented (see Note 1).

On April 22, 2024, the Company completed its IPO of 1,666,667 ordinary shares at a public offering price of \$4.5 per ordinary share on Nasdaq Capital Market under the symbol "MFI". As a result of the offering, the outstanding and issued ordinary shares of the Company increased to 13,251,667. The Company received net proceeds of \$5,689,251 (HK\$44,376,168) from the offering after deducting underwriting discounts, commissions, legal fees, investor relations, other related expenses, an indemnity escrow and deferred IPO costs (see Note 2).

On September 6, 2024, the Company's shareholders approved the re-designation and re-classification of the ordinary shares beneficially held by Gaderway Investments Limited into 9,046,892 Class B Ordinary Shares, each with 20 votes per share, and the ordinary shares held by other shareholders into 4,204,775 Class A Ordinary Shares, each with one vote per share, on a one for one basis.

Dividend

On March 23, 2022, m-FINANCE declared an interim dividend of HK\$0.863 per share (equivalent to US\$0.111 per share), or HK\$10,000,000 in aggregate (equivalent to US\$1,281,805), to its shareholder, which was settled in cash on March 24, 2022.

On June 30, 2022, m-FINANCE declared an interim dividend of HK\$0.691 per share (equivalent to US\$0.089 per share) or HK\$8,000,000 (equivalent to US\$1,025,444), to its shareholder, and the amount of the dividend payable was concurrently settled by netting off the outstanding amounts due from related parties.

On August 15, 2022, m-FINANCE declared an interim dividend of HK\$0.873 per share (equivalent to US\$0.112 per share) or HK\$10,114,311 in aggregate (equivalent to US\$1,296,457), to its shareholder, and the dividend payable was concurrently settled by netting off the outstanding amounts due from the related parties. The amounts due from related parties were presented as a reduction of the shareholder's equity pursuant to the Codification of Staff Accounting Bulletins Topic 4, section G.

On March 27, 2023, the Company declared an interim dividend of HK\$0.218 per share (equivalent to US\$0.028 per share), or HK\$2,528,413 in aggregate (equivalent to US\$324,093), to its shareholder, which was settled in cash on the same day.

On July 31, 2023, the Company declared an interim dividend of HK\$0.242 per share (equivalent to US\$0.031 per share), or HK\$2,800,800 in aggregate (equivalent to US\$359,008), to its shareholder, which was settled in cash on the same day.

14. Commitments and Contingencies

Commitments

As of December 31, 2024, the Company did not have any significant capital and other commitments.

Contingencies

In the normal course of business, the Company is subject to contingencies, including legal proceedings and claims arising out of the business that relate to a wide range of matters, such as government investigations and tax matters. The Company recognizes a liability for such contingency if it determines it is probable that a loss has occurred and a reasonable estimate of the loss can be made.

15. Subsequent Events

The Company evaluated all events and transactions that occurred after December 31, 2024 up through the date the Company issued the consolidated financial statements. Other than the event disclosed above, there was no other subsequent event occurred that would require recognition or disclosure in the Company's consolidated financial statements.

BVI COMPANY NUMBER: 2100955

**TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004**

MEMORANDUM AND ARTICLES

OF ASSOCIATION

OF

mF International Limited

A COMPANY LIMITED BY SHARES

Incorporated on the 15th day of June, 2022

INCORPORATED IN THE BRITISH VIRGIN ISLANDS

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004

MEMORANDUM OF ASSOCIATION

OF
mF International Limited

Amended and restated on 25 September 2023 and again on 6 September 2024

A COMPANY LIMITED BY SHARES

1. DEFINITIONS AND INTERPRETATION

1.1. In this Memorandum of Association and the Articles of Association of the Company, if not inconsistent with the subject or context:

“**Act**” means the BVI Business Companies Act, 2004 (No. 16 of 2004) and includes the regulations made under the Act;

“**Articles**” means the Articles of Association of the Company;

“**Chairman of the Board**” has the meaning specified in Regulation 12;

“**Class A Shares**” means the class A shares of the Company;

“**Class B Shares**” means the class B shares of the Company;

“**Distribution**” in relation to a distribution by the Company to a Shareholder means the direct or indirect transfer of an asset, other than Shares, to or for the benefit of the Shareholder, or the incurring of a debt to or for the benefit of a Shareholder, in relation to Shares held by a Shareholder, and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of Shares, a transfer of indebtedness or otherwise, and includes a dividend;

“**Memorandum**” means this Memorandum of Association of the Company;

“**Person**” includes individuals, corporations, trusts, the estates of deceased individuals, partnerships and unincorporated associations of persons;

“**Registrar**” means the Registrar of Corporate Affairs appointed under section 229 of the Act;

“**Resolution of Directors**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of directors of the Company by the affirmative vote of a majority of the directors present at the meeting who voted except that where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority; or
- (b) a resolution consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors of the Company. A written resolution consented to in such manner may consist of several documents including written electronic communication, in like form each signed or assented to by one or more directors.

“**Resolution of Shareholders**” means either:

- (a) a resolution approved at a duly convened and constituted meeting of the Shareholders of the Company by the affirmative vote of a majority of in excess of 50 percent of the votes of the Shares entitled to vote thereon which were present at the meeting and were voted; or
- (b) a resolution consented to in writing by a majority of in excess of 50 percent of the votes of Shares entitled to vote thereon;

“**Seal**” means any seal which has been duly adopted as the common seal of the Company;

“**Securities**” means Shares and debt obligations of every kind of the Company, and including without limitation options, warrants and rights to acquire Shares or debt obligations;

“**Share**” means a share issued or to be issued by the Company;

“**Shareholder**” means a Person whose name is entered in the register of members as the holder of one or more Shares or fractional Shares;

“**Treasury Share**” means a Share that was previously issued but was repurchased, redeemed or otherwise acquired by the Company and not cancelled; and

“**Written**” or any term of like import includes information generated, sent, received or stored by electronic, electrical, digital, magnetic, optical, electromagnetic, biometric or photonic means, including electronic data interchange, electronic mail, telegram, telex or telecopy, and “**in writing**” shall be construed accordingly.

1.2. In the Memorandum and the Articles, unless the context otherwise requires a reference to:

- (a) a “**Regulation**” is a reference to a regulation of the Articles;
- (b) a “**Clause**” is a reference to a clause of the Memorandum;
- (c) voting by Shareholders is a reference to the casting of the votes attached to the Shares held by the Shareholder voting;
- (d) the Act, the Memorandum or the Articles is a reference to the Act or those documents as amended or, in the case of the Act, any re-enactment thereof and any subsidiary legislation made thereunder; and
- (e) the singular includes the plural and vice versa.

1.3. Any words or expressions defined in the Act unless the context otherwise requires bear the same meaning in the Memorandum and the Articles unless otherwise defined herein.

1.4. Headings are inserted for convenience only and shall be disregarded in interpreting the Memorandum and the Articles.

2. **NAME**

The name of the Company is mF International Limited.

3. **STATUS**

The Company is a company limited by Shares.

4. REGISTERED OFFICE AND REGISTERED AGENT

- 4.1. The first registered office of the Company is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands, the office of the first registered agent.
- 4.2. The first registered agent of the Company is Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands.
- 4.3. The Company may by Resolution of Shareholders or by Resolution of Directors change the location of its registered office or change its registered agent.
- 4.4. Any change of registered office or registered agent will take effect on the registration by the Registrar of a notice of the change filed by the existing registered agent or a legal practitioner in the British Virgin Islands acting on behalf of the Company.
- 4.5. The registered agent shall:
- (a) act on the instructions of the directors of the Company if those instructions are contained in a Resolution of Directors and a copy of the Resolution of Directors is made available to the registered agent; and
 - (b) recognise and accept the appointment or removal of a director or directors by Shareholders.

5. CAPACITY AND POWERS

- 5.1. Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
 - (b) for the purposes of paragraph (a), full rights, powers and privileges.
- 5.2. For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on.

6. NUMBER AND CLASSES OF SHARES

- 6.1. The Company is authorised to issue an unlimited number of no par value Shares in the following classes:
- (a) an unlimited number of class A shares; and
 - (b) an unlimited number of class B shares.
- 6.2. The Company may issue fractional Shares and a fractional Share shall have the corresponding fractional rights, obligations and liabilities of a whole Share of the same class or series of Shares.
- 6.3. Shares may be issued in one or more series of Shares as the directors may by Resolution of Directors determine from time to time.

7. RIGHTS OF SHARES

- 7.1. Each Class A Share confers upon the Shareholder:
- (a) the right to one vote at a meeting of the Shareholders or on any Resolution of Shareholders;
 - (b) the right to an equal share in any dividend paid by the Company; and
 - (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

- 7.2 Each Class B Share confers upon the Shareholder:
- (a) the right to twenty votes at a meeting of the Shareholders or on any Resolution of Shareholders (all of which votes must be cast in the same way and manner);
 - (b) the right to an equal share in any dividend paid by the Company; and
 - (c) the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

7.3. The Company may by Resolution of Directors redeem, purchase or otherwise acquire all or any of the Shares subject to Regulation 3 of the Articles.

8. VARIATION OF RIGHTS

If at any time the Shares are divided into different classes, the rights attached to any class may only be varied, whether or not the Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by the holders of not less than 50 percent of the issued Shares in that class.

9. RIGHTS NOT VARIED BY THE ISSUE OF SHARES PARI PASSU

The rights conferred upon the holders of the Shares of any class shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10. REGISTERED SHARES

- 10.1. The Company shall issue Registered Shares only.
- 10.2. The Company is not authorised to issue Bearer Shares, convert Registered Shares to Bearer Shares or exchange Registered Shares for Bearer Shares.

11. TRANSFER OF SHARES

- 11.1. The Company shall, on receipt of an instrument of transfer complying with Sub-Regulation 6.1 of the Articles, enter the name of the transferee of a Share in the register of members unless the directors resolve to refuse or delay the registration of the transfer for reasons that shall be specified in a Resolution of Directors.
- 11.2. The directors may not resolve to refuse or delay the transfer of a Share unless the Shareholder has failed to pay an amount due in respect of the Share.

12. AMENDMENT OF THE MEMORANDUM AND THE ARTICLES

- 12.1. Subject to Clause 8, the Company may amend the Memorandum or the Articles by Resolution of Shareholders or by Resolution of Directors, save that no amendment may be made by Resolution of Directors:
- (a) to restrict the rights or powers of the Shareholders to amend the Memorandum or the Articles;
 - (b) to change the percentage of Shareholders required to pass a Resolution of Shareholders to amend the Memorandum or the Articles;
 - (c) in circumstances where the Memorandum or the Articles cannot be amended by the Shareholders; or
 - (d) to Clauses 7, 8, 9 or this Clause 12.
- 12.2. Any amendment of the Memorandum or the Articles will take effect on the registration by the Registrar of a notice of amendment, or restated Memorandum and Articles, filed by the registered agent.

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association the 15th day of June, 2022.

Incorporator



(Sd.) Rexella D. Hodge
Authorised Signatory
Vistra (BVI) Limited

TERRITORY OF THE BRITISH VIRGIN ISLANDS
THE BVI BUSINESS COMPANIES ACT, 2004

ARTICLES OF ASSOCIATION

OF

mF International Limited

Amended and restated on 25 September 2023 and again on 6 September 2024

A COMPANY LIMITED BY SHARES

1. REGISTERED SHARES

- 1.1. Every Shareholder is entitled, on request to a certificate signed by a director or officer of the Company, or any other person authorised by Resolution of Directors, or under the Seal specifying the number of Shares held by him and the signature of the director, officer or authorised person and the Seal may be facsimiles.
- 1.2. Any Shareholder receiving a certificate shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. If a certificate for Shares is worn out or lost it may be renewed on production of the worn out certificate or on satisfactory proof of its loss together with such indemnity as may be required by Resolution of Directors.
- 1.3. If several Persons are registered as joint holders of any Shares, any one of such Persons may give an effectual receipt for any Distribution.
- 1.4. Nothing in these Articles shall require title to any Shares or other Securities to be evidenced by a certificate if the Act and the rules of any exchange on which the Shares or other Securities are listed (if so listed) permit otherwise.
- 1.5. Subject to the Act and the rules of any exchange on which any Shares or other Securities may be listed (if so listed), the Board of Directors without further consultation with the holders of any Shares or Securities may resolve that any class or series of Shares or other Securities in issue or to be issued from time to time may be issued, registered or converted to uncertificated form and be subject to the practices instituted by the operator of the relevant system. No provision of these Articles will apply to any uncertificated shares or Securities to the extent that they are inconsistent with the holding of such shares or securities in uncertificated form or the transfer of title to any such shares or securities by means of a relevant system.
- 1.6. Conversion of Shares held in certificated form into Shares held in uncertificated form, and vice versa, may be made in such manner as the Board of Directors, in its absolute discretion, may think fit (subject always to the requirements of the relevant system concerned). The Company or any duly authorised transfer agent shall enter on the Register of Members how many Shares are held by each member in uncertificated form and certificated form and shall maintain the register of members in each case as is required by the relevant system concerned. Notwithstanding any provision of these Articles, a class or series of Shares shall not be treated as two classes by virtue only of that class or series comprising both certificated shares and uncertificated shares or as a result of any provision of these Articles which applies only in respect of certificated shares or uncertificated shares.
- 1.7. Nothing contained in Regulations 1.5 and 1.6 is meant to prohibit the Shares from being able to trade electronically.

2. SHARES

- 2.1. Shares and other Securities may be issued at such times, to such Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine.
- 2.2. Section 46 of the Act (Pre-emptive rights) does not apply to the Company.
- 2.3. A Share may be issued for consideration in any form or a combination of forms, including money, a promissory note, or other written obligation to contribute money or property, real property, personal property (including goodwill and know-how), services rendered or a contract for future services.
- 2.4. The consideration for a Share with par value shall not be less than the par value of the Share. If a Share with par value is issued for consideration less than the par value, the person to whom the Share is issued is liable to pay to the Company an amount equal to the difference between the issue price and the par value.
- 2.5. A bonus share issued by the Company shall be deemed to have been fully paid for on issue.
- 2.6. No Shares may be issued for a consideration, which is in whole or in part, other than money, unless a Resolution of Directors has been passed stating:
- (a) the amount to be credited for the issue of the Shares; and
 - (b) that, in the opinion of the directors, the present cash value of the non-money consideration and money consideration, if any, is not less than the amount to be credited for the issue of the Shares.
- 2.7. The consideration paid for any Share, whether a par value Share or a no par value Share, shall not be treated as a liability or debt of the Company for the purposes of:
- (a) the solvency test in Regulations 3 and 18; and
 - (b) sections 197 and 209 of the Act.
- 2.8. The Company shall keep a register (the “**register of members**”) containing:
- (a) the names and addresses of the Persons who hold Shares;
 - (b) the number of each class and series of Shares held by each Shareholder;
 - (c) the date on which the name of each Shareholder was entered in the register of members; and
 - (d) the date on which any Person ceased to be a Shareholder.
- 2.9. The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 2.10. A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.
- 2.11. Where the Company or any of its Shares is listed on an exchange, the company may keep a share register containing the information referred to in Regulation 2.8 or such other information as these Articles permit or as may be approved by a Resolution of Directors.

3. REDEMPTION OF SHARES AND TREASURY SHARES

- 3.1. The Company may purchase, redeem or otherwise acquire and hold its own Shares in such manner and upon such other terms as the directors may agree with the relevant Shareholder(s) save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.
- 3.2. The Company may acquire its own fully paid Share or Shares for no consideration by way of surrender of the Share or Shares to the Company by the Shareholder holding the Share or Shares. Any surrender of a Share or Shares under this Sub-Regulation 3.2 shall be in writing and signed by the Shareholder holding the Share or Shares.
- 3.3. The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorising the purchase, redemption or other acquisition contains a statement that the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 3.4. Sections 60 (*Process for acquisition of own Shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.
- 3.5. Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50 percent of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 3.6. All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.
- 3.7. Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.
- 3.8. Where Shares are held by another body corporate of which the Company holds, directly or indirectly, Shares having more than 50 percent of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

4. MORTGAGES AND CHARGES OF SHARES

- 4.1. Shareholders may mortgage or charge their Shares.
- 4.2. There shall be entered in the register of members at the written request of the Shareholder:
 - (a) a statement that the Shares held by him are mortgaged or charged;
 - (b) the name of the mortgagee or chargee; and
 - (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.
- 4.3. Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:
 - (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
 - (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.

4.4. Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:

- (a) no transfer of any Share the subject of those particulars shall be effected;
 - (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
 - (c) no replacement certificate shall be issued in respect of such Shares,
- without the written consent of the named mortgagee or chargee.

5. FORFEITURE

5.1. Shares that are not fully paid on issue are subject to the forfeiture provisions set forth in this Regulation.

5.2. A written notice of call specifying the date for payment to be made shall be served on the Shareholder who defaults in making payment in respect of the Shares.

5.3. The written notice of call referred to in Sub-Regulation 5.2 shall name a further date not earlier than the expiration of 14 days from the date of service of the notice on or before which the payment required by the notice is to be made and shall contain a statement that in the event of non-payment at or before the time named in the notice the Shares, or any of them, in respect of which payment is not made will be liable to be forfeited.

5.4. Where a written notice of call has been issued pursuant to Sub-Regulation 5.3 and the requirements of the notice have not been complied with, the directors may, at any time before tender of payment, forfeit and cancel the Shares to which the notice relates.

5.5. The Company is under no obligation to refund any moneys to a Shareholder whose Shares have been cancelled pursuant to Sub-Regulation 5.4 and that Shareholder shall be discharged from any further obligation to the Company.

6. TRANSFER OF SHARES

6.1. Subject to the Memorandum, Shares may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, which shall be sent to the Company for registration.

6.2. Where shares are listed on an exchange, Shares may be transferred without the need for a written instrument of transfer if the transfer is carried out in accordance with the laws, rules, procedures and other requirements applicable to shares registered on the exchange.

6.3. The transfer of a Share is effective when the name of the transferee is entered on the register of members.

6.4. If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:

- (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
- (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.

6.5. Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.

7. **MEETINGS AND CONSENTS OF SHAREHOLDERS**

- 7.1. Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable.
- 7.2. Upon the written request of Shareholders entitled to exercise 30 percent or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.
- 7.3. The director convening a meeting shall give not less than 7 days' notice of a meeting of Shareholders to:
- (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members and are entitled to vote at the meeting; and
 - (b) the other directors.
- 7.4. The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting, or such other date as may be specified in the notice, being a date not earlier than the date of the notice.
- 7.5. A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90 percent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.
- 7.6. The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.
- 7.7. A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.
- 7.8. The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- 7.9. The instrument appointing a proxy shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

<p style="text-align: center;">[COMPANY NAME]</p> <p style="text-align: center;">(the “Company”)</p> <p>I/We,, being a Shareholder of the Company HEREBY APPOINT of or failing him of to be my/our proxy to vote for me/us at the meeting of Shareholders to be held on the day of, 20..... and at any adjournment thereof.</p> <p>(Any restrictions on voting to be inserted here.)</p> <p>Signed this day of, 20.....</p> <p>.....</p> <p>Shareholder</p>
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- 7.10. The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
 - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
 - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.
- 7.11. A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.
- 7.12. A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 50 percent of the votes of the Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting. A quorum may comprise a single Shareholder or proxy and then such person may pass a Resolution of Shareholders and a certificate signed by such person accompanied where such person be a proxy by a copy of the proxy instrument shall constitute a valid Resolution of Shareholders.
- 7.13. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less than one third of the votes of the Shares or each class or series of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.
- 7.14. At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.
- 7.15. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 7.16. At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.
- 7.17. Subject to the specific provisions contained in this Regulation for the appointment of representatives of Persons other than individuals the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.

- 7.18. Any Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which he represents as that Shareholder could exercise if it were an individual.
- 7.19. The chairman of any meeting at which a vote is cast by proxy or on behalf of any Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Person shall be disregarded.
- 7.20. Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.
- 7.21. An action that may be taken by the Shareholders at a meeting may also be taken by a resolution consented to in writing, without the need for any notice, but if any Resolution of Shareholders is adopted otherwise than by the unanimous written consent of all Shareholders, a copy of such resolution shall forthwith be sent to all Shareholders not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the earliest date upon which Shareholders holding a sufficient number of votes of Shares to constitute a Resolution of Shareholders have consented to the resolution by signed counterparts.

8. DIRECTORS

- 8.1. The first directors of the Company shall be appointed by the first registered agent within 6 months of the date of incorporation of the Company; and thereafter, the directors shall be elected by Resolution of Shareholders or by Resolution of Directors.
- 8.2. No person shall be appointed as a director, alternate director, or nominated as a reserve director, of the Company unless he has consented in writing to be a director, alternate director or to be nominated as a reserve director respectively.
- 8.3. Subject to Sub-Regulation 8.1, the minimum number of directors shall be one and there shall be no maximum number.
- 8.4. Each director holds office for the term, if any, fixed by the Resolution of Shareholders or the Resolution of Directors appointing him, or until his earlier death, resignation or removal. If no term is fixed on the appointment of a director, the director serves indefinitely until his earlier death, resignation or removal.
- 8.5. A director may be removed from office,
- (a) with or without cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the votes of the Shareholders of the Company entitled to vote; or
 - (b) with cause, by Resolution of Directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.
- 8.6. A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.
- 8.7. The directors may at any time appoint any person to be a director either to fill a vacancy or as an addition to the existing directors. Where the directors appoint a person as director to fill a vacancy, the term shall not exceed the term that remained when the person who has ceased to be a director ceased to hold office.

- 8.8. A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 8.9. Where the Company only has one Shareholder who is an individual and that Shareholder is also the sole director of the Company, the sole Shareholder/director may, by instrument in writing, nominate a person who is not disqualified from being a director of the Company as a reserve director of the Company to act in the place of the sole director in the event of his death.
- 8.10. The nomination of a person as a reserve director of the Company ceases to have effect if:
- (a) before the death of the sole Shareholder/director who nominated him,
 - (i) he resigns as reserve director, or
 - (ii) the sole Shareholder/director revokes the nomination in writing; or
 - (b) the sole Shareholder/director who nominated him ceases to be able to be the sole Shareholder/director of the Company for any reason other than his death.
- 8.11. The Company shall keep a register of directors (the “**register of directors**”) containing:
- (a) in the case of an individual director, the particulars stated in section 118A(1)(a) of the Act;
 - (b) in the case of a corporate director, the particulars stated in section 118A(1)(b) of the Act; and
 - (c) such other information as may be prescribed by the Act.
- 8.12. The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 8.13. The Company shall file for registration with the Registrar a copy of its register of directors (and any changes to the register of directors) in accordance with the provisions of the Act.
- 8.14. The directors may, by Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
- 8.15. A director is not required to hold a Share as a qualification to office.
- 8.16. A director, by written instrument deposited at the registered office of the Company may from time to time appoint another director or another person who is not disqualified for appointment as a director under section 111 of the Act to be his alternate to:
- (a) exercise the appointing director’s powers; and
 - (b) carry out the appointing director’s responsibilities,
- in relation to the taking of decisions by the directors in the absence of the appointing director.
- 8.17. No person shall be appointed as an alternate director unless he has consented in writing to be an alternate director. The appointment of an alternate director does not take effect until written notice of the appointment has been deposited at the registered office of the Company.
- 8.18. The appointing director may, at any time, terminate or vary the alternate’s appointment. The termination or variation of the appointment of an alternate director does not take effect until written notice of the termination or variation has been deposited at the registered office of the Company, save that if a director shall die or cease to hold the office of director, the appointment of his alternate shall thereupon cease and terminate immediately without the need of notice.

- 8.19. An alternate director has no power to appoint an alternate, whether of the appointing director or of the alternate director.
- 8.20. An alternate director has the same rights as the appointing director in relation to any directors' meeting and any written resolution of directors circulated for written consent. Unless stated otherwise in the notice of the appointment of the alternate, or a notice of variation of the appointment, if undue delay or difficulty would be occasioned by giving notice to a director of a resolution of which his approval is sought in accordance with these Articles his alternate (if any) shall be entitled to signify approval of the same on behalf of that director. Any exercise by the alternate director of the appointing director's powers in relation to the taking of decisions by the directors is as effective as if the powers were exercised by the appointing director. An alternate director does not act as an agent of or for the appointing director and is liable for his own acts and omissions as an alternate director.
- 8.21. The remuneration of an alternate director (if any) shall be payable out of the remuneration payable to the director appointing him (if any), as agreed between such alternate and the director appointing him.

9. POWERS OF DIRECTORS

- 9.1. The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.
- 9.2. Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.
- 9.3. If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 9.4. Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 9.5. The continuing directors may act notwithstanding any vacancy in their body.
- 9.6. The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 9.7. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.
- 9.8. For the purposes of Section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

10. PROCEEDINGS OF DIRECTORS

- 10.1. Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.

- 10.2. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the directors may determine to be necessary or desirable.
- 10.3. A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.
- 10.4. A director shall be given not less than 3 days' notice of meetings of directors, but a meeting of directors held without 3 days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.
- 10.5. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, unless there are only 2 directors in which case the quorum is 2.
- 10.6. If the Company has only one director the provisions herein contained for meetings of directors do not apply and such sole director has full power to represent and act for the Company in all matters as are not by the Act, the Memorandum or the Articles required to be exercised by the Shareholders. In lieu of minutes of a meeting the sole director shall record in writing and sign a note or memorandum of all matters requiring a Resolution of Directors. Such a note or memorandum constitutes sufficient evidence of such resolution for all purposes.
- 10.7. At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present, the directors present shall choose one of their number to be chairman of the meeting.
- 10.8. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing or by telex, telegram, cable or other written electronic communication by a majority of the directors or by a majority of the members of the committee, as the case may be, without the need for any notice. A written resolution consented to in such manner may consist of several documents, including written electronic communication, in like form each signed or assented to by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

11. COMMITTEES

- 11.1. The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 11.2. The directors have no power to delegate to a committee of directors any of the following powers:
- (a) to amend the Memorandum or the Articles;
 - (b) to designate committees of directors;
 - (c) to delegate powers to a committee of directors;
 - (d) to appoint or remove directors;
 - (e) to appoint or remove an agent;
 - (f) to approve a plan of merger, consolidation or arrangement;
 - (g) to make a declaration of solvency or to approve a liquidation plan; or
 - (h) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

- 11.3. Sub-Regulation 11.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 11.4. The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee.
- 11.5. Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

12. OFFICERS AND AGENTS

- 12.1. The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a president and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 12.2. The officers shall perform such duties as are prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors. In the absence of any specific prescription of duties it shall be the responsibility of the Chairman of the Board to preside at meetings of directors and Shareholders, the president to manage the day to day affairs of the Company, the vice-presidents to act in order of seniority in the absence of the president but otherwise to perform such duties as may be delegated to them by the president, the secretaries to maintain the register of members, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the treasurer to be responsible for the financial affairs of the Company.
- 12.3. The emoluments of all officers shall be fixed by Resolution of Directors.
- 12.4. The officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 12.5. The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.
- 12.6. An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority with respect to the following:
- (a) to amend the Memorandum or the Articles;
 - (b) to change the registered office or agent;
 - (c) to designate committees of directors;
 - (d) to delegate powers to a committee of directors;
 - (e) to appoint or remove directors;

- (f) to appoint or remove an agent;
- (g) to fix emoluments of directors;
- (h) to approve a plan of merger, consolidation or arrangement;
- (i) to make a declaration of solvency or to approve a liquidation plan;
- (j) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due; or
- (k) to authorise the Company to continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands.

12.7. The Resolution of Directors appointing an agent may authorise the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

12.8. The directors may remove an agent appointed by the Company and may revoke or vary a power conferred on him.

13. CONFLICT OF INTERESTS

13.1. A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

13.2. For the purposes of Sub-Regulation 13.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

13.3. A director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

14. INDEMNIFICATION

14.1. Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the Company; or
- (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

- 14.2. The indemnity in Sub-Regulation 14.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.
- 14.3. For the purposes of Sub-Regulation 14.2, a director acts in the best interests of the Company if he acts in the best interests of
- (a) the Company's holding company; or
 - (b) a Shareholder or Shareholders;
- in either case, in the circumstances specified in Sub-Regulation 9.3 or the Act, as the case may be.
- 14.4. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.
- 14.5. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 14.6. Expenses, including legal fees, incurred by a director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director to repay the amount if it shall ultimately be determined that the director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1.
- 14.7. Expenses, including legal fees, incurred by a former director in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the former director to repay the amount if it shall ultimately be determined that the former director is not entitled to be indemnified by the Company in accordance with Sub-Regulation 14.1 and upon such terms and conditions, if any, as the Company deems appropriate.
- 14.8. The indemnification and advancement of expenses provided by, or granted pursuant to, this section is not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, Resolution of Shareholders, resolution of disinterested directors or otherwise, both as acting in the person's official capacity and as to acting in another capacity while serving as a director of the Company.
- 14.9. If a person referred to in Sub-Regulation 14.1 has been successful in defence of any proceedings referred to in Sub-Regulation 14.1, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.
- 14.10. The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

15. RECORDS AND UNDERLYING DOCUMENTATION

- 15.1. The Company shall keep the following documents at the office of its registered agent:

- (a) the Memorandum and the Articles;

- (b) the register of members, or a copy of the register of members;
 - (c) the register of directors, or a copy of the register of directors; and
 - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 15.2. Until the directors determine otherwise by Resolution of Directors the Company shall keep the original register of members and original register of directors at the office of its registered agent.
- 15.3. If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:
- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
 - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.
- 15.4. Where the original register of members or the original register of directors is maintained other than at the office of the registered agent, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.
- 15.5. The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:
- (a) the records and underlying documentation of the Company;
 - (b) minutes of meetings and Resolutions of Shareholders and classes of Shareholders;
 - (c) minutes of meetings and Resolutions of Directors and committees of directors; and
 - (d) an impression of the Seal.
- 15.6. The records and underlying documentation of the Company shall be in such form as:
- (a) are sufficient to show and explain the Company's transactions; and
 - (b) will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 15.7. The Company shall retain the records and underlying documentation for a period of at least five years from the date:
- (a) of completion of the transaction to which the records and underlying documentation relate; or
 - (b) the Company terminates the business relationship to which the records and underlying documentation relate.
- 15.8. Where the records and underlying documentation of the Company are kept at a place or places other than at the office of its registered agent, the Company shall provide the registered agent with a written:
- (a) record of the physical address of the place at which the records and underlying documentation are kept; and
 - (b) record of the name of the person who maintains and controls the Company's records and underlying documentation.

- 15.9. Where the place or places at which the records and underlying documentation of the Company, or the name of the person who maintains and controls the Company's records and underlying documentation, change, the Company shall, within 14 days of the change, provide its registered agent with:
- (a) the physical address of the new location of the records and underlying documentation; or
 - (b) the name of the new person who maintains and controls the Company's records and underlying documentation.
- 15.10. The Company shall provide its registered agent without delay any records and underlying documentation in respect of the Company that the registered agent requests pursuant to the Act.
- 15.11. The records and underlying documentation kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

16. REGISTER OF CHARGES

- 16.1. The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:
- (a) the date of creation of the charge;
 - (b) a short description of the liability secured by the charge;
 - (c) a short description of the property charged;
 - (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
 - (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
 - (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.
- 16.2. Where a change occurs in the relevant charges or in the details of the charges required to be recorded in the Company's register of charges maintained in accordance with Sub-Regulation 16.1, the Company shall, within 14 days of the change occurring, transmit details of the change to the registered agent.

17. SEAL

The Company shall have a Seal and may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

18. DISTRIBUTIONS

- 18.1. The directors of the Company may, by Resolution of Directors, authorise a Distribution at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 18.2. Distributions may be paid in money, Shares, or other property.
- 18.3. Notice of any Distribution that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 20.1 and all Distributions unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.
- 18.4. No Distributions shall bear interest as against the Company and no Distribution shall be paid on Treasury Shares.

19. ACCOUNTS AND AUDIT

- 19.1. The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 19.2. The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.
- 19.3. The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.
- 19.4. The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Shareholders or by Resolution of Directors.
- 19.5. The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.
- 19.6. The remuneration of the auditors of the Company may be fixed by Resolution of Directors.
- 19.7. The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:
 - (a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and
 - (b) all the information and explanations required by the auditors have been obtained.
- 19.8. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 19.9. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.
- 19.10. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.

20. NOTICES

- 20.1. Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 20.2. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 20.3. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

21. VOLUNTARY LIQUIDATION

The Company may by Resolution of Shareholders or, subject to section 199(2) of the Act, by Resolution of Directors appoint a voluntary liquidator.

22. CONTINUATION

The Company may by Resolution of Shareholders or by a Resolution of Directors continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, Vistra (BVI) Limited of Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association the 15th day of June, 2022.

Incorporator



(Sd.) Rexella D. Hodge
Authorised Signatory
Vistra (BVI) Limited

Description of Rights of Each Class of Securities
Registered under Section 12 of the Securities Exchange Act of 1934, as Amended (the “Exchange Act”)

Class A Ordinary Shares, no par value per share (“Class A Ordinary Shares”), of mF International Limited (“we,” “our,” “our company,” “us,” or “the Company”) are listed and traded on the Nasdaq Capital Market, and in connection with this listing (but not for trading), its Class A Ordinary Shares are registered under Section 12(b) of the Exchange Act. This exhibit contains a description of the rights of the holders of Class A Ordinary Shares.

Description of Class A Ordinary Shares

The following is a summary of material provisions of our amended and restated memorandum and articles of association (the “Memorandum and Articles of Association”) as well as the BVI Business Companies Act, 2004 (as amended) (the “BVI Act”) insofar as they relate to the material terms of our Class A Ordinary Shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entirety of our Memorandum and Articles of Association, which are attached as Exhibit 1.1 to our annual report for the fiscal year ended December 31, 2024.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Each Class A Ordinary Share has no par value per share. The number of Class A Ordinary Shares that have been issued as of the last day of the financial year ended December 31, 2024 is provided on the cover of the annual report on Form 20-F for that fiscal year. Our Class A Ordinary Shares may be held in either certificated or uncertificated form.

Preemptive Rights (Item 9.A.3 of Form 20-F)

The holders of our Ordinary Shares do not have pre-emptive rights under the BVI Act or pursuant to our Memorandum and Articles of Association.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

We have a dual-class voting structure such that our ordinary shares consist of Class A Ordinary Shares and Class B ordinary shares (“Class B Ordinary Shares;” together with Class A Ordinary Shares, the “Ordinary Shares”). In respect of matters requiring a shareholder vote, each holder of Class A Ordinary Shares will be entitled to one vote per one Class A Ordinary Share and each holder of Class B Ordinary Shares will be entitled to 20 votes per one Class B Ordinary Share. The Class B Ordinary Shares are convertible into Class A Ordinary Shares at any time after issuance at the option of the holder on a one-to-one basis. Due to the super voting power of holders of Class B Ordinary Shares, the voting power of the Class A Ordinary Shares may be materially limited.

Rights of Other Types of Securities (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of Each Class of the Ordinary Shares (Item 10.B.3 of Form 20-F)

Ordinary Shares

We are authorized to issue an unlimited number of Ordinary Shares, no par value per share. All of our issued and outstanding Ordinary Shares are fully paid and non-assessable. Our Ordinary Shares are issued in registered form. There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our Ordinary Shares. In addition, there are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed. Holders of Class A Ordinary Shares and Class B Ordinary Shares have the same rights except for voting and conversion rights as set forth in our Memorandum and Articles of Association in effect as of the date hereof. In respect of matters requiring a vote of all shareholders, each holder of Class A Ordinary Shares will be entitled to one vote per one Class A Ordinary Share and each holder of Class B Ordinary Shares will be entitled to 20 votes per one Class B Ordinary Share. The Class B Ordinary Shares are convertible into Class A Ordinary Shares at any time after issuance at the option of the holder on a one-to-one basis.

Under the BVI Act, the Ordinary Shares are deemed to be issued when the name of the shareholder is entered in our register of members. If (a) information that is required to be entered in the register of members is omitted from the register or is inaccurately entered in the register, or (b) there is unreasonable delay in entering information in the register, a shareholder of the Company, or any person who is aggrieved by the omission, inaccuracy or delay, may apply to the British Virgin Islands Courts for an order that the register be rectified, and the court may either refuse the application or order the rectification of the register, and may direct the Company to pay all costs of the application and any damages the applicant may have sustained.

Dividends

The holders of our Ordinary Shares are entitled to such dividends as may be declared by our board of directors, subject to the BVI Act and our Memorandum and Articles of Association.

Voting Rights

Any action required or permitted to be taken by the shareholders must be effected at a duly called meeting of the shareholders entitled to vote on such action or may be effected by a resolution of members in writing, each in accordance with the Memorandum and Articles of Association. At each meeting of shareholders, each shareholder who is present in person or by proxy (or, in the case of a shareholder being a corporation, by its duly authorized representative) will have one vote for each Class A Ordinary Share and 20 votes for each Class B Ordinary Share of which he or the person represented by proxy is the holder.

General Meetings of Shareholders

Under our Memorandum and Articles of Association, a copy of the notice of any meeting of shareholders shall be given not less than 7 days before the date of the proposed meeting to those persons whose names appear as shareholders in the register of members on the date of the notice and are entitled to vote at the meeting. Our board of directors shall call a meeting of shareholders upon the written request of shareholders holding at least 30% of the voting rights in respect of the matter for which the meeting is requested. In addition, our board of directors may call a meeting of shareholders on its own motion. A meeting of shareholders may be called on short notice if at least 90% of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting, and presence at the meeting shall be deemed to constitute waiver for this purpose.

At any meeting of shareholders, a quorum will be present if there are shareholders present in person or by proxy representing not less than 50 percent of the Ordinary Shares entitled to vote on the resolutions to be considered at the meeting. Such quorum may be represented by only a single shareholder or proxy. If no quorum is present within two hours of the start time of the meeting, the meeting shall be dissolved if it was requested by shareholders. In any other case, the meeting shall be adjourned to the next business day, and if shareholders representing not less than one-third of the votes of the Ordinary Shares or each class of shares entitled to vote on the matters to be considered at the meeting are present within one hour of the start time of the adjourned meeting, a quorum will be present. If not, the meeting will be dissolved. No business may be transacted at any meeting of shareholders unless a quorum is present at the commencement of business. If present, the chair of our board of directors shall be the chair presiding at any meeting of the shareholders. If the chair of our board is not present then the members present shall choose a shareholder to act to chair the meeting of the shareholders. If the shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting shares present in person or by proxy shall preside as chairman, failing which the oldest individual member or member representative shall take the chair.

A corporation that is a shareholder shall be deemed for the purpose of our Memorandum and Articles of Association to be present in person if represented by its duly authorized representative. This duly authorized representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were our individual shareholder.

Transfer of Class A Ordinary Shares

Subject to the restrictions contained in our Memorandum and Articles of Association, any of our shareholders may transfer all or any of his or her Class A Ordinary Shares in accordance with NASDAQ's rules and procedures.

Liquidation

As permitted by the BVI Act and our Memorandum and Articles of Association, we may be voluntarily liquidated under Part XII of the BVI Act by resolution of directors and resolution of shareholders if our assets exceed our liabilities and we are able to pay our debts as they fall due. We may also be wound up in circumstances where we are insolvent in accordance with the terms of the BVI Insolvency Act, 2003 (as amended).

If we are wound up, any surplus remaining after all debts and liabilities are duly paid shall be distributable pari passu among the shareholders in proportion to the number of shares held by them.

Redemption of Ordinary Shares

Subject to the provisions of the BVI Act, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as may be determined by our Memorandum and Articles of Association and subject to any applicable requirements imposed from time to time by, the BVI Act, the SEC, the NASDAQ Capital Market, or by any recognized stock exchange on which our securities are listed.

Inspection of Books and Records

Under the BVI Act, members of the general public, on payment of a nominal fee, can obtain copies of the public records of a company available at the office of the Registrar of Corporate Affairs which will include the Company's certificate of incorporation, its Memorandum and Articles of Association (with any amendments) and records of license fees paid to date and will also disclose any articles of dissolution, articles of merger and a register of charges if the Company has elected to file such a register.

A member of the Company is also entitled, upon giving written notice to us, to inspect (i) our Memorandum and Articles of Association, (ii) the register of members, (iii) the register of directors and (iv) minutes of meetings and resolutions of members and of those classes of members of which that member is a member, and to make copies and take extracts from the documents and records referred to in (i) to (iv) above. However, our directors may, if they are satisfied that it would be contrary to the Company's interests to allow a member to inspect any document, or part of a document specified in (ii) to (iv) above, refuse to permit the member to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts or records. Where a company fails or refuses to permit a member to inspect a document or permits a member to inspect a document subject to limitations, that member may apply to the BVI court for an order that he should be permitted to inspect the document or to inspect the document without limitation.

Requirements to Change the Rights of Holders of Ordinary Shares (Item 10.B.4 of Form 20-F)

Variations of Rights of Shares

If at any time, the Company is authorized to issue more than one class of shares, all or any of the rights attached to any class of shares may be amended only with the consent in writing of or by a resolution passed at a meeting of not less than 50 percent of the shares of the class to be affected.

Limitations on the Rights to Own Ordinary Shares (Item 10.B.6 of Form 20-F)

There are no limitations imposed by our Memorandum and Articles of Association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our Ordinary Shares.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

Anti-Takeover Provisions

Some provisions of our Memorandum and Articles of Association may discourage, delay or prevent a change in control of our Company or management that shareholders may consider favorable. Under the BVI Act there are no provisions, which specifically prevent the issuance of preferred shares or any such other ‘poison pill’ measures. Therefore, the directors without the approval of the holders of Ordinary Shares may issue preferred shares that have characteristics that may be deemed to be anti-takeover. Additionally, such a designation of shares may be used in connection with plans that are poison pill plans. However, under British Virgin Islands law, our directors in the exercise of their powers granted to them under our Memorandum and Articles of Association and performance of their duties, are required to act honestly and in good faith in what the director believes to be in the best interests of our Company.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions in our Memorandum and Articles of Association governing the ownership threshold above which shareholder ownership must be disclosed.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The BVI Act and the laws of the British Virgin Islands affecting British Virgin Islands companies like us and our shareholders differ from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the laws of the British Virgin Islands applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. Under the laws of the British Virgin Islands, two or more companies may merge or consolidate in accordance with Section 170 of the BVI Act. A merger means the merging of two or more constituent companies into one of the constituent companies (the “surviving company”) and a consolidation means the uniting of two or more constituent companies into a new company (the “consolidated company”). The procedure for a merger or consolidation between the Company and another company (which need not be a BVI company, and which may be the Company’s parent or subsidiary, but need not be) is set out in the BVI Act. In order to merge or consolidate, the directors of each constituent company must approve a written plan of merger or consolidation, which with the exception of a merger between a parent company and its subsidiary, must also be approved by a resolution of a majority of the shareholders voting at a quorate meeting of shareholders or by written resolution of the shareholders of the BVI company or BVI companies which are to merge. While a director may vote on the plan of merger or consolidation, or any other matter, even if he has a financial interest in the plan, the interested director must disclose the interest to all other directors of the Company promptly upon becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company. A transaction entered into by our Company in respect of which a director is interested (including a merger or consolidation) is voidable by us unless the director’s interest was (a) disclosed to the board prior to the transaction or (b) the transaction is (i) between the director and the Company and (ii) the transaction is in the ordinary course of the Company’s business and on usual terms and conditions. Notwithstanding the above, a transaction entered into by the Company is not voidable if the material facts of the interest are known to the shareholders and they approve or ratify it or the Company received fair value for the transaction. In any event, all shareholders must be given a copy of the plan of merger or consolidation irrespective of whether they are entitled to vote at the meeting to approve the plan of merger or consolidation. A foreign company which is able under the laws of its foreign jurisdiction to participate in the merger or consolidation is required by the BVI Act to comply with the laws of that foreign jurisdiction in relation to the merger or consolidation. The shareholders of the constituent companies are not required to receive shares of the surviving or consolidated company but may receive debt obligations or other securities of the surviving or consolidated company, other assets, or a combination thereof. Further, some or all of the shares of a class or series may be converted into a kind of asset while the other shares of the same class or series may receive a different kind of asset. As such, not all the shares of a class or series must receive the same kind of consideration. After the plan of merger or consolidation has been approved by the directors and authorized, if required, by a resolution of the shareholders, articles of merger or consolidation are executed by each company and filed with the Registrar of Corporate Affairs in the British Virgin Islands. The merger is effective on the date that the articles of merger are registered with the Registrar or on such subsequent date, not exceeding thirty days, as is stated in the articles of merger or consolidation.

As soon as a merger becomes effective: (a) the surviving company or consolidated company (so far as is consistent with its memorandum and articles of association, as amended or established by the articles of merger or consolidation) has all rights, privileges, immunities, powers, objects and purposes of each of the constituent companies; (b) in the case of a merger, the memorandum and articles of association of any surviving company are automatically amended to the extent, if any, that changes to its memorandum and articles of association are contained in the articles of merger or, in the case of a consolidation, the memorandum and articles of association filed with the articles of consolidation are the memorandum and articles of the consolidated company; (c) assets of every description, including choses-in-action and the business of each of the constituent companies, immediately vest in the surviving company or consolidated company; (d) the surviving company or consolidated company is liable for all claims, debts, liabilities and obligations of each of the constituent companies; (e) no conviction, judgment, ruling, order, claim, debt, liability or obligation due or to become due, and no cause existing, against a constituent company or against any member, director, officer or agent thereof, is released or impaired by the merger or consolidation; and (f) no proceedings, whether civil or criminal, pending at the time of a merger by or against a constituent company, or against any member, director, officer or agent thereof, are abated or discontinued by the merger or consolidation; but: (i) the proceedings may be enforced, prosecuted, settled or compromised by or against the surviving company or consolidated company or against the member, director, officer or agent thereof; as the case may be; or (ii) the surviving company or consolidated company may be substituted in the proceedings for a constituent company. The Registrar of Corporate Affairs shall strike off the register of companies each constituent company that is not the surviving company in the case of a merger and all constituent companies in the case of a consolidation. If the directors determine it to be in the best interests of the Company, it is also possible for a merger to be approved as a Court approved plan of arrangement or scheme of arrangement in accordance with the BVI Act.

A shareholder may dissent from (a) a merger if the Company is a constituent company, unless the Company is the surviving company and the member continues to hold the same or similar shares; (b) a consolidation if the Company is a constituent company; (c) any sale, transfer, lease, exchange or other disposition of more than 50 per cent in value of the assets or business of the Company if not made in the usual or regular course of the business carried on by the Company but not including: (i) a disposition pursuant to an order of the court having jurisdiction in the matter, (ii) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the members in accordance with their respective interest within one year after the date of disposition, or (iii) a transfer pursuant to the power of the directors to transfer assets for the protection thereof; (d) a compulsory redemption of 10 per cent, or fewer of the issued shares of the Company required by the holders of 90%, or more of the shares of the Company pursuant to the terms of the BVI Act; and (e) a plan of arrangement, if permitted by the British Virgin Islands Court (each, an “Action”). A shareholder properly exercising his dissent rights is entitled to a cash payment equal to the fair value of his shares.

A shareholder dissenting from an Action must object in writing to the Action before the vote by the shareholders on the merger or consolidation, unless notice of the meeting was not given to the shareholder. If the merger or consolidation is approved by the shareholders, the Company must give notice of this fact to each shareholder within 20 days who gave written objection. Such objection shall include a statement that the members proposes to demand payment for his or her shares if the Action is taken. These shareholders then have 20 days to give to the Company their written election in the form specified by the BVI Act to dissent from the Action, provided that in the case of a merger, the 20 days starts when the plan of merger is delivered to the shareholder. Upon giving notice of his election to dissent, a shareholder ceases to have any shareholder rights except the right to be paid the fair value of his shares. As such, the merger or consolidation may proceed in the ordinary course notwithstanding his dissent. Within seven days of the later of the delivery of the notice of election to dissent and the effective date of the merger or consolidation, the Company shall make a written offer to each dissenting shareholder to purchase his shares at a specified price per share that the Company determines to be the fair value of the shares. The Company and the shareholder then have 30 days to agree upon the price. If the Company and a shareholder fail to agree on the price within the 30 days, then the Company and the shareholder shall, within 20 days immediately following the expiration of the 30-day period, each designate an appraiser and these two appraisers shall designate a third appraiser. These three appraisers shall fix the fair value of the shares as of the close of business on the day prior to the shareholders’ approval of the transaction without taking into account any change in value as a result of the transaction.

Shareholders' Suits. There are both statutory and common law remedies available to our shareholders as a matter of British Virgin Islands law. These are summarized below.

Prejudiced members. A shareholder who considers that the affairs of the Company have been, are being, or are likely to be, conducted in a manner that is, or any act or acts of the Company have been, or are, likely to be oppressive, unfairly discriminatory or unfairly prejudicial to him in that capacity, can apply to the court under Section 184I of the BVI Act, inter alia, for an order that his shares be acquired, that he be provided compensation, that the British Virgin Islands Court regulate the future conduct of the Company, or that any decision of the Company which contravenes the BVI Act or our Memorandum and Articles of Association be set aside.

Derivative actions. Section 184C of the BVI Act provides that a shareholder of a company may, with the leave of the Court, bring an action in the name of the Company in certain circumstances to redress any wrong done to it. Such actions are known as derivative actions. The BVI Court may only grant permission to bring a derivative action where the following circumstances apply:

- the Company does not intend to bring, diligently continue or defend or discontinue proceedings; and
- the Company does not intend to bring, diligently continue or defend or discontinue proceedings.

When considering whether to grant leave, the British Virgin Islands Court is also required to have regard to the following matters:

- whether the shareholder is acting in good faith;
- whether a derivative action is in the Company's best interests, taking into account the directors' views on commercial matters;
- whether the action is likely to proceed;
- the costs of the proceedings in relation to the relief likely to be obtained; and
- the costs of the proceedings in relation to the relief likely to be obtained.

Just and equitable winding up. In addition to the statutory remedies outlined above, shareholders can also petition the BVI Court for the winding up of a company under the BVI Insolvency Act, 2003 (as amended) for the appointment of a liquidator to liquidate the Company and the court may appoint a liquidator for the Company if it is of the opinion that it is just and equitable for the court to so order. Save in exceptional circumstances, this remedy is generally only available where the Company has been operated as a quasi-partnership and trust and confidence between the partners has broken down.

Indemnification of Directors and Executive Officers and Limitation of Liability. Our Memorandum and Articles of Association provide that, subject to certain limitations, we indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings for any person who:

- is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was our director; or
- is or was, at our request, serving as a director or officer of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

These indemnities only apply if the person acted honestly and in good faith with a view to our best interests and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful and is, in the absence of fraud, sufficient for the purposes of the Memorandum and Articles of Association, unless a question of law is involved. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been advised that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction.

The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

Under British Virgin Islands law, our directors owe fiduciary duties both at common law and under statute including, among other things, a statutory duty to act honestly, in good faith, for a proper purpose and with a view to what the directors believe to be in the best interests of the Company. Our directors are also required, when exercising powers or performing duties as a director, to exercise the care, diligence and skill that a reasonable director would exercise in comparable circumstances, taking into account without limitation, the nature of the Company, the nature of the decision and the position of the director and the nature of the responsibilities undertaken. In the exercise of their powers, our directors must ensure neither they nor the Company acts in a manner which contravenes the BVI Act or our Memorandum and Articles of Association.

Pursuant to the BVI Act and our Memorandum and Articles of Association, a director of a company who has an interest in a transaction and who has declared such interest to the other directors, may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction.

In certain limited circumstances, a shareholder has the right to seek various remedies against the Company in the event the directors are in breach of their duties under the BVI Act. Pursuant to Section 184B of the BVI Act, if a company or director of a company engages in, or proposes to engage in or has engaged in, conduct that contravenes the provisions of the BVI Act or the Memorandum and Articles of Association, the British Virgin Islands Court may, on application of a shareholder or director of the Company, make an order directing the Company or director to comply with, or restraining the Company or director from engaging in conduct that contravenes the BVI Act or the Memorandum and Articles of Association. Furthermore, pursuant to section 184I(1) of the BVI Act a shareholder of a company who considers that the affairs of the Company have been, are being or likely to be, conducted in a manner that is, or any acts of the Company have been, or are likely to be oppressive, unfairly discriminatory, or unfairly prejudicial to him in that capacity, may apply to the British Virgin Islands Court for an order which, inter alia, can require the Company or any other person to pay compensation to the shareholders.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. British Virgin Islands law provides that, subject to the memorandum and articles of association of a company, an action that may be taken by members of the Company at a meeting may also be taken by a resolution of members consented to in writing.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings. British Virgin Islands law and our Memorandum and Articles of Association allow our shareholders holding 30% or more of the votes of the outstanding voting shares to requisition a shareholders' meeting. There is no requirement under BVI law to hold shareholders' annual general meetings, but our Memorandum and Articles of Association do permit the directors to call meetings of the members of the Company at such times and in such manner and places as the directors consider necessary or desirable. The location of any shareholders' meeting can be determined by the board of directors and can be held anywhere in the world.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. The BVI Act and our Memorandum and Articles of Association do not provide for cumulative voting.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, directors can be removed from office, with or without cause, by a resolution of shareholders passed at a meeting of the shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written resolution passed by at least 75 percent of the votes of the shareholders entitled to vote. Directors can also be removed by a resolution of directors passed at a meeting of directors called for the purpose of removing the director or for purposes including the removal of the director.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target's board of directors. British Virgin Islands law has no comparable statute and our Memorandum and Articles of Association do not provide for the same protection afforded by the Delaware business combination statute.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under the BVI Act and our Memorandum and Articles of Association, we may appoint a voluntary liquidator by a resolution of the shareholders, provided that the directors have made a declaration of solvency that the Company is able to discharge its debts as they fall due and that the value of the Company's assets exceed its liabilities.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles of Association, if at any time our shares are divided into different classes of shares, the rights attached to any class may only be varied, whether or not our Company is in liquidation, with the consent in writing of or by a resolution passed at a meeting by a majority of the votes cast by those entitled to vote at a meeting of the holders of the issued shares in that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by British Virgin Islands law, our Memorandum and Articles of Association may be amended by a resolution of shareholders and, subject to certain exceptions, by a resolution of directors. An amendment is effective from the date it is registered at the Registry of Corporate Affairs in the British Virgin Islands.

Anti-Money Laundering Laws. In order to comply with legislation or regulations aimed at the prevention of money laundering we are required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity. Where permitted, and subject to certain conditions, we also may delegate the maintenance of our anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

We reserve the right to request such information as is necessary to verify the identity of a subscriber. In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, we may refuse to accept the application, in which case any funds received will be returned without interest to the account from which they were originally debited.

If any person resident in the British Virgin Islands knows or suspects that another person is engaged in money laundering or terrorist financing and the information for that knowledge or suspicion came to their attention in the course of their business the person will be required to report his belief or suspicion to the Financial Investigation Agency of the British Virgin Islands, pursuant to the Proceeds of Criminal Conduct Act 1997 (as amended). Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

Changes in Capital (Item 10.B.10 of Form 20-F)

We may from time to time by resolution of our board of directors or, subject to our Memorandum and Articles of Association:

- (a) amend our Memorandum and Articles of Association to increase or decrease the maximum number of shares we are authorized to issue;
- (b) split our authorized and issued Ordinary Shares into a larger number of shares; and
- (c) combine our authorized and issued Ordinary Shares into a smaller number of shares.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Other Securities (Item 12.C of Form 20-F)

Not applicable.

Description of American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

Not applicable.

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Chi Weng Tam, certify that:

1. I have reviewed this annual report on Form 20-F of mF International Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 23, 2025

By: /s/ Chi Weng Tam

Name: Chi Weng Tam

Title: Executive Director and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Yun Pan Lau, certify that:

1. I have reviewed this annual report on Form 20-F of mF International Limited (the “Company”);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting; and
5. The Company’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s board of directors (or persons performing the equivalent function):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: April 23, 2025

By: /s/ Yun Pan Lau

Name: Yun Pan Lau

Title: Chief Financial Officer

(Principal Accounting and Financial Officer)

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of mF International Limited (the “Company”) on Form 20-F for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Chi Weng Tam, Executive Director and Chief Executive Officer (Principal Executive Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2025

By: /s/ Chi Weng Tam

Name: Chi Weng Tam

Title: Executive Director and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of mF International Limited (the “Company”) on Form 20-F for the year ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Yun Pan Lau, Chief Financial Officer (Principal Accounting and Financial Officer) of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 23, 2025

By: /s/ Yun Pan Lau

Name: Yun Pan Lau

Title: Chief Financial Officer

(Principal Accounting and Financial Officer)
