

# REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1631

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# 2021

I n t e r i m   R e p o r t

# Condensed Consolidated Financial Statements

The board (the “**Board**”) of directors (the “**Directors**”) of REF Holdings Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2021 together with the relevant comparative figures as follows:

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	<b>77,190</b>	83,253
Cost of services		<b>(34,812)</b>	(43,303)
Gross profit		<b>42,378</b>	39,950
Other gains and losses	6	<b>(1,013)</b>	(1,395)
Impairment losses under expected credit loss model, net of reversal		<b>996</b>	(7)
Selling and distribution expenses		<b>(6,549)</b>	(6,021)
Administrative expenses		<b>(25,726)</b>	(18,940)
Finance costs	7	<b>(195)</b>	(600)
<b>Profit before taxation</b>		<b>9,891</b>	12,987
Taxation	8	<b>(2,119)</b>	(2,386)
<b>Profit and total comprehensive income for the period attributable to owners of the Company</b>	9	<b>7,772</b>	10,601
<b>Earnings per share</b>			
— Basic and diluted (HK cents)	11	<b>3.04</b>	4.14

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

# Condensed Consolidated Statement of Financial Position

As at 30 June 2021

		<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	12	<b>14,005</b>	5,282
Right-of-use assets	13	<b>45,564</b>	9,567
Goodwill		<b>1,982</b>	1,982
Deferred tax assets	20	–	939
		<b>61,551</b>	17,770
<b>Current assets</b>			
Trade receivables	14	<b>33,086</b>	20,940
Prepayments, deposits and other receivables	15	<b>9,742</b>	8,499
Other current assets		<b>1,257</b>	965
Tax recoverable		<b>2,001</b>	3,137
Financial assets at fair value through profit or loss	16	<b>9,284</b>	22,733
Bank balances and cash	17	<b>107,775</b>	186,487
		<b>163,145</b>	242,761
<b>Current liabilities</b>			
Trade payables	18	<b>2,833</b>	3,837
Accruals and other payables	19	<b>9,190</b>	11,450
Lease liabilities	13	<b>15,706</b>	9,301
Contract liabilities		<b>26,997</b>	27,137
		<b>54,726</b>	51,725
<b>Net current assets</b>		<b>108,419</b>	191,036
<b>Total assets less current liabilities</b>		<b>169,970</b>	208,806

# Condensed Consolidated Statement of Financial Position

As at 30 June 2021

		<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
	Notes		
<b>Non-current liabilities</b>			
Lease liabilities	13	<b>31,344</b>	1,173
Deferred tax liabilities	20	<b>21</b>	–
		<b>31,365</b>	1,173
<b>Net assets</b>			
		<b>138,605</b>	207,633
<b>Capital and reserves</b>			
Share capital	21	<b>2,560</b>	2,560
Reserves		<b>136,045</b>	205,073
<b>Total equity attributable to owners of the Company</b>			
		<b>138,605</b>	207,633

Approved and authorised for issue by the Board on 20 August 2021 and signed on its behalf by:

**Lau Man Tak**  
*Director*

**Kwok Kam Lai**  
*Director*

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

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Attributable to owners of the Company			
	Share capital HK\$'000	Share premium HK\$'000	Retained profits HK\$'000	Total HK\$'000
As at 1 January 2020 (audited)	2,560	41,233	196,774	240,567
Profit and total comprehensive income for the period	–	–	10,601	10,601
As at 30 June 2020 (unaudited)	2,560	41,233	207,375	251,168
As at 1 January 2021 (audited)	2,560	41,233	163,840	207,633
Profit and total comprehensive income for the period	–	–	7,772	7,772
Dividend paid (Note 10)	–	–	(76,800)	(76,800)
<b>As at 30 June 2021 (unaudited)</b>	<b>2,560</b>	<b>41,233</b>	<b>94,812</b>	<b>138,605</b>

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

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>9,891</b>	12,987
<b>Adjustments for:</b>		
Bank charges	<b>7</b>	6
Interest income	<b>(480)</b>	(1,769)
Interest on lease liabilities	<b>188</b>	594
Bad debt written off	<b>427</b>	–
Unrealised loss on fair value of financial assets at fair value through profit or loss	<b>430</b>	4,281
Loss on disposal of financial assets at fair value through profit or loss	<b>1,091</b>	–
Depreciation of plant and equipment	<b>1,581</b>	1,834
Depreciation of right-of-use assets	<b>10,261</b>	8,863
Allowance for expected credit losses in respect of trade receivables, net of reversal	<b>(996)</b>	7
Loss on disposal of plant and equipment	<b>3,086</b>	–
Operating cash flows before movements in working capital	<b>25,486</b>	26,803
Increase in trade receivables	<b>(11,577)</b>	(10,178)
(Increase)/decrease in prepayments, deposits and other receivables	<b>(1,243)</b>	936
(Increase)/decrease in other current assets	<b>(983)</b>	1,013
(Decrease)/increase in trade payables	<b>(313)</b>	118
(Decrease)/increase in accruals and other payables	<b>(2,260)</b>	1,390
Decrease in contract liabilities	<b>(140)</b>	(3,570)
Cash generated from operations	<b>8,970</b>	16,512
Income taxes (paid)/refund	<b>(23)</b>	940
Interest paid	<b>(7)</b>	(6)
<b>Net cash generated from operating activities</b>	<b>8,940</b>	17,446

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2021

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of financial assets at fair value through profit or loss	<b>12,754</b>	–
Proceeds from disposal of plant and equipment	<b>11</b>	–
Purchase of financial assets at fair value through profit or loss	<b>(826)</b>	(10,057)
Purchase of plant and equipment	<b>(13,401)</b>	–
Placement of fixed deposits	–	(1,149,000)
Uplift of fixed deposits	–	1,217,240
Interest received	<b>480</b>	1,769
<b>Net cash (used in)/generated from investing activities</b>	<b>(982)</b>	59,952
<b>Cash flows from financing activities</b>		
Dividend paid	<b>(76,800)</b>	–
Capital element of lease rentals paid	<b>(9,682)</b>	(9,476)
Interest element of lease rentals paid	<b>(188)</b>	(594)
<b>Net cash used in financing activities</b>	<b>(86,670)</b>	(10,070)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(78,712)</b>	67,328
<b>Cash and cash equivalents at the beginning of the period</b>	<b>186,487</b>	14,011
<b>Cash and cash equivalents at the end of the period</b>	<b>107,775</b>	81,339

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 February 2014 as an exempted company with limited liability under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. Its immediate holding company is Jumbo Ace Enterprises Limited, a company incorporated in the British Virgin Islands (the “**BVI**”) and its ultimate holding company is Rising Luck Management Limited, a company incorporated in the BVI. Its ultimate controlling party is Mr. Lau Man Tak (“**Mr. Lau**”), who is also the chairman and non-executive director of the Company. The Company has been registered as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Cap. 622) since 12 March 2014. The Company’s issued shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The address of the Company’s registered office is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the address of its headquarters, head office and principal place of business in Hong Kong has been changed to Units 5906–5912, 59th Floor, The Center, 99 Queen’s Road Central, Hong Kong with effect from 17 May 2021.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial printing services and investment holdings. The unaudited condensed consolidated financial statements for the six months ended 30 June 2021 are presented in Hong Kong dollars (“**HK\$**”) which is also the functional currency of the Company. All values are rounded to the nearest thousand (“**HK\$’000**”) except otherwise indicated.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), including compliance with Hong Kong Accounting Standard (“**HKAS**”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This interim report is unaudited but has been reviewed by the audit committee of the Company (the “**Audit Committee**”) and it was authorised for issue on 20 August 2021.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2020 annual report, except for the changes in accounting policies that are expected to be reflected in the 2021 annual report. Details of any changes in accounting policies are set out in Note 3.

The preparation of the condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual report. The condensed consolidated financial statements and notes thereto do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”).

The financial information relating to the financial year ended 31 December 2020 that is included in the interim report as comparative information does not constitute the Group’s annual financial statements for that financial year but is derived from those financial statements.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 3. CHANGES IN ACCOUNTING POLICIES

### APPLICATION OF AMENDMENTS TO HKFRSs

In the current period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the condensed consolidated financial statements:

HKFRS 16 (Amendments)	Covid-19-Related Rent Concessions beyond 30 June 2021
HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16 (Amendments)	Interest Rate Benchmark Reform — Phase 2

The application of the amendments to HKFRSs in the current period had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 4. REVENUE

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Financial printing services recognised at a point in time:</b>		
Printing	<b>51,719</b>	54,940
Translation	<b>20,391</b>	21,643
Media placement	<b>5,080</b>	6,670
	<b>77,190</b>	83,253

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 4. REVENUE (Continued)

### (I) PERFORMANCE OBLIGATIONS FOR CONTRACTS WITH CUSTOMERS

The Group provides financial printing services including printing, translation and media placement.

Revenue is recognised when control of the services has transferred, being when the services have been delivered to the specific customer (“**delivery**”) as agreed in the service contracts. Following delivery, the customer has full discretion over the manner of distribution, the primary responsibility on utilising the services and bears the risks of loss in relation to the services. The normal credit term is 30 days.

### (II) TRANSACTION PRICE ALLOCATED TO THE REMAINING PERFORMANCE OBLIGATION FOR CONTRACTS WITH CUSTOMERS

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 and the expected timing of recognising revenue are as follows:

	<b>Financial printing services HK\$'000</b>
Within one year	41,363
More than one year but not more than two years	20,927
<b>As at 30 June 2021 (unaudited)</b>	<b>62,290</b>

As at 30 June 2020, all provision of services is for the period of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 5. SEGMENT INFORMATION

During the six months ended 30 June 2021 and 2020, the Group operated in one operating segment which was the provision of financial printing services. A single management team reports to the Directors (being the chief operating decision-maker) who comprehensively manage the entire business. Accordingly, the Group does not present separately segment information. In addition, all of the Group's revenue is generated in Hong Kong and all of the Group's assets and liabilities are located in Hong Kong. Accordingly, no business or geographical segment information is presented.

### INFORMATION ABOUT MAJOR CUSTOMERS

No individual customer contributed over 10% of the total revenue of the Group during the six months ended 30 June 2021 and 2020.

## 6. OTHER GAINS AND LOSSES

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Dividend income	–	18
Interest income	480	1,769
Unrealised loss on fair value of financial assets at fair value through profit or loss	(430)	(4,281)
Loss on disposal of financial assets at fair value through profit or loss	(1,091)	–
Government grants (Note)	–	1,051
Sundry income	28	48
	<b>(1,013)</b>	<b>(1,395)</b>

Note:

During the six months ended 30 June 2021, the Group did not recognise any government grants (2020: approximately HK\$1,015,000) relates to Employment Support Scheme provided by The Government of the Hong Kong Special Administrative Region of the People's Republic of China in respect of Covid-19-related subsidies.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 7. FINANCE COSTS

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Bank charges	7	6
Interest on lease liabilities	188	594
	195	600

## 8. TAXATION

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax		
— Hong Kong	1,159	2,592
Deferred tax		
Current period	960	(206)
	2,119	2,386

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The two-tiered profits tax rates regime is applicable to the Group for the six months ended 30 June 2021 and 2020.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 9. PROFIT FOR THE PERIOD

	<b>Six months ended 30 June</b>	
	<b>2021</b>	2020
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Profit for the period has been arrived at after charging/(crediting):</b>		
Directors' emoluments	<b>1,141</b>	1,268
Other staff costs:		
— Salaries, bonuses and other benefits	<b>25,105</b>	25,229
— Retirement scheme contributions	<b>930</b>	838
<b>Total employee benefit expense</b>	<b>26,035</b>	26,067
Auditors' remuneration	<b>390</b>	420
Depreciation of plant and equipment	<b>1,581</b>	1,834
Depreciation of right-of-use assets (Note 13)	<b>10,261</b>	8,863
Loss on disposal of plant and equipment	<b>3,086</b>	–
Unrealised loss on fair value of financial assets at fair value through profit or loss (Note 16)	<b>430</b>	4,281
Loss on disposal of financial assets at fair value through profit or loss (Note 16)	<b>1,091</b>	–
Allowance for expected credit losses in respect of trade receivables, net of reversal	<b>(996)</b>	7
Bad debt written off	<b>427</b>	–

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 10. DIVIDENDS

The Board does not declare the payment of any interim dividend for the six months ended 30 June 2021.

On 11 March 2021, the Board declared a final dividend of HK30 cents per share which was paid on 6 May 2021 to shareholders of the Company whose names appear on the register of members of the Company on 4 May 2021, amounting to HK\$76,800,000.

On 21 August 2020, the Board declared an interim dividend of HK20 cents per share which was paid on 15 September 2020 to shareholders of the Company whose names appear on the register of members of the Company on 11 September 2020, amounting to HK\$51,200,000.

## 11. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
<b>Earnings:</b>		
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<b>7,772</b>	10,601

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 11. EARNINGS PER SHARE (Continued)

	Six months ended 30 June	
	2021	2020
	'000	'000
	(unaudited)	(unaudited)
<b>Number of shares:</b>		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (Note)	<b>256,000</b>	256,000
Basic earnings per share (HK cents)	<b>3.04</b>	4.14

Note:

The calculation of basic earnings per share for the six months ended 30 June 2021 and 2020 is based on the profit attributable to owners of the Company for the periods and the weighted average number of ordinary shares for the relevant periods.

Diluted earnings per share is same as the basic earnings per share for the six months ended 30 June 2021 and 2020 as there were no potential dilutive ordinary shares in issue.

## 12. PLANT AND EQUIPMENT

During the six months ended 30 June 2021, the Group acquired plant and equipment of approximately HK\$13,401,000 (31 December 2020: HK\$65,000). Plant and equipment with net book value of approximately HK\$3,097,000 were disposed of during the six months ended 30 June 2021 (31 December 2020: HK\$Nil).



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

### RIGHT-OF-USE ASSETS

	<b>Leased properties</b>	<b>Leased equipment</b>	<b>Total</b>
	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2020 (audited)	22,724	2,049	24,773
Addition	1,667	–	1,667
Acquired on acquisition of a subsidiary	1,119	–	1,119
Depreciation provided during the year	(17,392)	(600)	(17,992)
As at 31 December 2020 and 1 January 2021 (audited)	8,118	1,449	9,567
Addition (Note)	46,258	–	46,258
Depreciation provided during the period	(9,961)	(300)	(10,261)
<b>As at 30 June 2021 (unaudited)</b>	<b>44,415</b>	<b>1,149</b>	<b>45,564</b>

The right-of-use assets represent the Group's rights to use underlying leased properties and equipment over the lease terms.

Note:

Addition represents leased properties located in Hong Kong with lease terms of three years or less.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 13. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES *(Continued)*

### LEASE LIABILITIES

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Analysed as		
— Current	<b>15,706</b>	9,301
— Non-current	<b>31,344</b>	1,173
	<b>47,050</b>	10,474
Minimum lease payments due		
— Within one year	<b>16,796</b>	9,455
— More than one year but not later than two years	<b>18,609</b>	901
— More than two years but not later than five years	<b>13,490</b>	312
	<b>48,895</b>	10,668
Less: Future finance charges	<b>(1,845)</b>	(194)
	<b>47,050</b>	10,474
Present value of lease liabilities	<b>47,050</b>	10,474
Present value of minimum lease payments		
— Within one year	<b>15,706</b>	9,301
— More than one year but not later than two years	<b>17,998</b>	866
— More than two years but not later than five years	<b>13,346</b>	307
	<b>47,050</b>	10,474

The weighted average incremental borrowing rate applied to lease liabilities is 2.68% (31 December 2020: 4.93%).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 14. TRADE RECEIVABLES

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Trade receivables (Note)	<b>34,099</b>	22,949
Less: Allowance for expected credit losses	<b>(1,013)</b>	(2,009)
	<b>33,086</b>	20,940

As at 1 January 2020, trade receivables from contracts with customers amounted to approximately HK\$23,644,000.

The following is an aged analysis of trade receivables, net of allowance for expected credit losses presented based on the invoice dates at the end of the reporting period:

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Current — neither past due nor impaired	<b>10,408</b>	11,598
1–30 days past due	<b>4,578</b>	2,722
31–60 days past due	<b>9,973</b>	962
61–120 days past due	<b>5,328</b>	3,098
121–150 days past due	<b>68</b>	743
Over 150 days past due	<b>2,731</b>	1,817
	<b>33,086</b>	20,940

The Group generally allows a credit period of 30 days to its customers.

The Group does not hold any collateral over the balances.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 14. TRADE RECEIVABLES *(Continued)*

The following is the movement in lifetime expected credit losses that has been recognised for trade receivables in accordance with the simplified approach set out in HKFRS 9 for the six months ended 30 June 2021 and the year ended 31 December 2020:

	<b>Total</b> HK\$'000
As at 1 January 2020 (audited)	281
Allowance for expected credit losses	1,728
As at 31 December 2020 and 1 January 2021 (audited)	2,009
Reversal of allowance for expected credit losses	(996)
<b>As at 30 June 2021 (unaudited)</b>	<b>1,013</b>

As at 30 June 2021, included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$22,678,000 (31 December 2020: HK\$9,342,000) which are past due as at the reporting date. Out of the past due balances, approximately HK\$2,799,000 (31 December 2020: HK\$2,560,000) has been past due 120 days or more and is not considered as default due to the number of independent debtors that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Note:

None included above are trade receivables from a related party, TEM Holdings Limited, as at 30 June 2021 (31 December 2020: approximately HK\$14,000), which has been privatised and withdrawn listing from the GEM of the Stock Exchange with effect from 12 January 2021. Mr. Lau, a substantial shareholder, non-executive director and the chairman of the Company, is the controlling shareholder of TEM Holdings Limited. The maximum outstanding balance during the six months ended 30 June 2021 was approximately HK\$37,000 (31 December 2020: HK\$209,000).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Rental, utility and other deposits	<b>7,734</b>	7,754
Prepayments	<b>1,768</b>	583
Other receivables (Note)	<b>240</b>	162
	<b>9,742</b>	8,499

Note:

Included above are interest receivables from bank deposits and fixed deposits of approximately HK\$40,000 and HK\$106,000 as at 30 June 2021 and 31 December 2020, respectively.

## 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Listed securities		
— Equity securities listed in Hong Kong	<b>9,284</b>	22,733

Financial assets at fair value through profit or loss are stated at fair values which are determined with reference to quoted market bid price.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

During the period/year, the following losses were recognised in profit or loss:

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Unrealised loss on fair value of financial assets at fair value through profit or loss	<b>430</b>	5,026
Loss on disposal of financial assets at fair value through profit or loss	<b>1,091</b>	–

## 17. BANK BALANCES AND CASH

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Bank balances and cash	<b>107,775</b>	186,487

Bank balances and cash carrying interest at market rates range from 0.001% to 0.70% per annum for the six months ended 30 June 2021 (31 December 2020: range from 0.001% to 0.70% per annum).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 18. TRADE PAYABLES

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Trade payables	<b>2,833</b>	3,837

The credit period from suppliers is up to 60 days. The following is an aged analysis of trade payables, presented based on the invoice dates at the end of the reporting period:

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Current — up to 60 days	<b>2,562</b>	3,601
1–30 days past due	<b>5</b>	–
31–60 days past due	<b>30</b>	–
61–120 days past due	–	–
Over 120 days past due	<b>236</b>	236
	<b>2,833</b>	3,837

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 19. ACCRUALS AND OTHER PAYABLES

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Accruals	<b>1,102</b>	1,079
Other payables (Note)	<b>8,088</b>	10,371
	<b>9,190</b>	11,450

Note:

Included above are provision of staff bonus of approximately HK\$6,600,000 and HK\$8,976,000 as at 30 June 2021 and 31 December 2020, respectively.

## 20. DEFERRED TAX ASSETS/(LIABILITIES)

	<b>As at 30 June 2021 HK\$'000 (unaudited)</b>	As at 31 December 2020 HK\$'000 (audited)
Deferred tax assets	–	939
Deferred tax liabilities	<b>21</b>	–
	<b>21</b>	939



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 21. SHARE CAPITAL

	As at 30 June 2021		As at 31 December 2020	
	Number of shares '000 (unaudited)	HK\$'000 (unaudited)	Number of shares '000 (audited)	HK\$'000 (audited)
<b>Authorised:</b>				
Ordinary shares of HK\$0.01 each	10,000,000	100,000	10,000,000	100,000
<b>Issued and fully paid:</b>				
At the beginning and at the end of the period/year	256,000	2,560	256,000	2,560

## 22. FAIR VALUE OF FINANCIAL INSTRUMENT

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to the relatively short-term nature of these financial instruments.

Fair value measurements recognised in the condensed consolidated statement of financial position.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable as at 30 June 2021 and 31 December 2020.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 22. FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>As at 30 June 2021 (unaudited)</b>				
Financial assets at fair value through profit or loss	<b>9,284</b>	–	–	<b>9,284</b>
<b>As at 31 December 2020 (audited)</b>				
Financial assets at fair value through profit or loss	22,733	–	–	22,733

Financial assets	Fair value as at 30 June 2021 (unaudited) HK\$'000	Fair value hierarchy	Valuation technique(s) and key inputs
Financial assets at fair value through profit or loss	<b>9,284</b> (31 December 2020 (audited): 22,733)	Level 1	Quoted bid prices in active market

There was no transfer between Level 1, 2 and 3 in the period/year.

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The above table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2021

## 23. MATERIAL RELATED PARTY TRANSACTION

Save as disclosed in elsewhere in the condensed consolidated financial statements, the Group had also entered into the following material related party transaction during the reporting period:

### (A) TRANSACTION WITH A RELATED PARTY

Name of related party	Nature of transaction	Six months ended 30 June	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
TEM Holdings Limited (Note)	Financial printing services income rendered	22	72

Note:

Mr. Lau, a substantial shareholder, non-executive director and the chairman of the Company, is the controlling shareholder of TEM Holdings Limited, which has been privatised and withdrawn listing from the GEM of the Stock Exchange with effect from 12 January 2021.

On 4 July 2019, the Company entered into a service contract with TEM Holdings Limited for the financial printing services in the contract sum of approximately HK\$234,000. This transaction falls within the de minimis criteria of a connected transaction and is fully exempt from the reporting and shareholders' approval requirements in the Listing Rules. In the opinion of the Directors, the transaction was conducted in the normal course of business and based on the terms mutually determined and agreed by the respective parties.

### (B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

The Directors are identified as key management members of the Group and their compensation during the reporting period is set out in Note 9.

## 24. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with current period's presentation.

# Management Discussion and Analysis

## ABOUT THE GROUP

The issued shares of REF Holdings Limited (the “**Company**”) are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company and its subsidiaries (collectively referred to as the “**Group**”) is a one-stop financial printing service provider, which offers a wide range of convenient and quality financial printing services including typesetting, proofreading, translation, design, printing, web submitting, media placement and distribution in Hong Kong. The Group does not satisfy just meeting customers’ expectations, but strives to provide customers with unique and perfect experiences. The services of the Group can be categorised into printing, translation and media placement. The core financial printing services of the Group include printing of listing documents, financial reports, compliance documents and other documents. Most of the Group’s customers are listed on the Stock Exchange.

## BUSINESS REVIEW

For the six months ended 30 June 2021 (the “**Period**”), the Hong Kong economy was on the path of recovery amid receding local Covid-19 pandemic and improving global economic conditions. Meanwhile, the Hong Kong initial public offering (the “**IPO**”) market achieved remarkable results with the support of the listings of a number of high profile Chinese new economy companies. Under this backdrop, overall performance of the Group during the Period recovered visibly from the second half of 2020, even though it was still marginally behind for the six months ended 30 June 2020 (the “**Prior Period**”). Operationally, the Group was able to maintain unbroken services to the customers contribute to the business continuity measures already taken place in last year and the relentless efforts of the staff. During the Period, the Group has been seeking possible alternative premises for rent in light of the lessee friendly environment. Accordingly, the Group relocated its office to a world class building premises with comprehensive security, information technological capabilities, in close proximity to its customer base and on competitive rental terms.

# Management Discussion and Analysis

## **BUSINESS REVIEW** *(Continued)*

### REVENUE ATTRIBUTABLE TO EACH CATEGORY OF SERVICES PROVIDED BY THE GROUP

	Six months ended 30 June 2021		Six months ended 30 June 2020	
	HK\$ million (unaudited)	%	HK\$ million (unaudited)	%
Printing Services	<b>51.7</b>	<b>67.0</b>	55.0	66.0
Translation Services	<b>20.4</b>	<b>26.4</b>	21.6	26.0
Media Placement Services	<b>5.1</b>	<b>6.6</b>	6.7	8.0
Total	<b>77.2</b>	<b>100.0</b>	83.3	100.0

#### PRINTING SERVICES

Printing revenue during the Period was approximately HK\$51.7 million (the Prior Period: approximately HK\$55.0 million), representing a decrease of approximately 6.0% as compared to that of the Prior Period, which was primarily due to (i) the existing IPO projects on hand were either delayed or cancelled; and (ii) the competitive market under Covid-19 pandemic. For the six months ended 30 June 2021 and 2020, the revenue generated from the printing services represented approximately 67.0% and 66.0% respectively of the total revenue.

#### TRANSLATION SERVICES

Translation revenue during the Period was approximately HK\$20.4 million (the Prior Period: approximately HK\$21.6 million), representing a decrease of approximately 5.6% as compared to that of the Prior Period, which was mainly attributable to the cost saving measures of the customers for engaging external translation services. For the six months ended 30 June 2021 and 2020, the revenue generated from the translation services represented approximately 26.4% and 26.0% respectively of the total revenue.

# Management Discussion and Analysis

## **BUSINESS REVIEW** *(Continued)*

### **MEDIA PLACEMENT SERVICES**

Media placement revenue during the Period was approximately HK\$5.1 million (the Prior Period: approximately HK\$6.7 million), representing a decrease of approximately 23.9% as compared to that of the Prior Period, which was mainly due to the decreasing of demand from customers for media placement services under the Covid-19 pandemic. For the six months ended 30 June 2021 and 2020, the revenue generated from the media placement services represented approximately 6.6% and 8.0% respectively of the total revenue.

## **FINANCIAL REVIEW**

### **FINANCIAL HIGHLIGHTS**

	<b>Six months ended 30 June 2021 HK\$ million (unaudited)</b>	Six months ended 30 June 2020 HK\$ million (unaudited)	Increase/ (decrease) in % or percentage point (“pp”)
Revenue	<b>77.2</b>	83.3	(7.3%)
Cost of Services	<b>34.8</b>	43.3	(19.6%)
Gross Profit	<b>42.4</b>	40.0	6.0%
Gross Profit Margin	<b>54.9%</b>	48.0%	6.9pp
Net Profit	<b>7.8</b>	10.6	(26.4%)
Net Profit Margin	<b>10.1%</b>	12.7%	(2.6pp)

### **REVENUE**

The Group’s revenue decreased by approximately HK\$6.1 million, or 7.3%, from approximately HK\$83.3 million for the Prior Period to approximately HK\$77.2 million for the Period. The decrease was primarily attributable to (i) the existing IPO projects on hand were either delayed or cancelled; and (ii) the competitive market under Covid-19 pandemic.

# Management Discussion and Analysis

## **FINANCIAL REVIEW** *(Continued)*

### **COST OF SERVICES**

The Group's cost of services decreased by approximately HK\$8.5 million, or 19.6%, from approximately HK\$43.3 million for the Prior Period to approximately HK\$34.8 million for the Period. The decrease was mainly attributable to the decrease in translation costs, contribute to the cost savings upon the acquisition of entire shareholding of a translation services company.

### **OTHER GAINS AND LOSSES**

The Group's other gains and losses were decreased by approximately HK\$0.4 million, or 28.6%, from approximately HK\$1.4 million for the Prior Period to approximately HK\$1.0 million for the Period. Included in other gains and losses, there was a fall in other losses from approximately HK\$4.3 million for the Prior Period to approximately HK\$0.4 million for the Period which was due to the unrealised loss on fair value of financial assets at fair value through profit or loss. Also included in other gains and losses are (i) the loss on disposal of financial assets at fair value through profit or loss which was amounted to approximately HK\$1.1 million for the Period in comparison to HK\$Nil for the Prior Period; (ii) the decrease of interest income from approximately HK\$1.8 million for the Prior Period to approximately HK\$0.5 million for the Period; and (iii) the government grants for the Period was HK\$Nil in comparison to approximately HK\$1.1 million for the Prior Period.

### **SELLING AND DISTRIBUTION EXPENSES**

The Group's selling and distribution expenses increased by approximately HK\$0.5 million, or 8.3%, from approximately HK\$6.0 million for the Prior Period to approximately HK\$6.5 million for the Period. The increase was mainly attributable to the resumption of sales initiatives to retain existing customers and enhanced customer base after the relaxation of social distancing policies.

### **ADMINISTRATIVE EXPENSES**

The Group's administrative expenses increased by approximately HK\$6.8 million, or 36.0%, from approximately HK\$18.9 million for the Prior Period to approximately HK\$25.7 million for the Period. The increase was mainly attributable to the one-off expenses for office relocation during the Period.

# Management Discussion and Analysis

## **FINANCIAL REVIEW** *(Continued)*

### **FINANCE COSTS**

Finance costs decreased by approximately HK\$0.4 million, or 66.7%, from approximately HK\$0.6 million for the Prior Period to approximately HK\$0.2 million for the Period. The decrease was mainly due to the decrease of interest expenses on lease liabilities for the Period.

### **TAXATION**

Taxation decreased by approximately HK\$0.3 million, or 12.5%, from approximately HK\$2.4 million for the Prior Period to approximately HK\$2.1 million for the Period. The decrease was in line with the decrease in profit before taxation for the Period.

### **PROFIT FOR THE PERIOD**

The profit for the Period was approximately HK\$7.8 million, representing a decrease of approximately HK\$2.8 million, or 26.4% as compared with approximately HK\$10.6 million for the Prior Period. The decrease was primarily attributable to (i) the incurrence of one-off expenses for office relocation during the Period; (ii) the existing IPO projects on hand were either delayed or cancelled; and (iii) the competitive market under Covid-19 pandemic.

### **PROFITABILITY**

Contributed to the precision cost control, the Group's gross profit increased by 6.0% in comparison to Prior Period, to approximately HK\$42.4 million during the Period. Gross profit margin improved by 6.9 percentage points to 54.9% for the Period. The net profit margin for the Period was 10.1%.

### **GEARING RATIO**

As at 30 June 2021, the gearing ratio of the Group was 0.34 (31 December 2020: 0.05). The increase was due to the increase in lease liabilities for the Period.



# Management Discussion and Analysis

## LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2021, bank balances and cash of the Group amounted to approximately HK\$107.8 million (31 December 2020: HK\$186.5 million). The current ratios (current assets divided by current liabilities) of the Group were 3.0 times and 4.7 times as at 30 June 2021 and 31 December 2020, respectively. In view of the Group's current level of bank balances and cash and funds generated internally from its operations, the board (the "**Board**") of directors (the "**Directors**") is confident that the Group will have sufficient resources to meet the financial needs for its operations.

## CAPITAL EXPENDITURE

The capital expenditure during the Period was related to expenditures on additions of plant and equipment amounting to approximately HK\$13.4 million, mainly to cope with the operation needs and the enhancement of office premises in May 2021.

## DIVIDENDS

The Board does not declare the payment of any interim dividend for the Period.

On 11 March 2021, the Board declared a final dividend of HK30 cents per share which was paid on 6 May 2021 to shareholders of the Company whose names appear on the register of members of the Company on 4 May 2021, amounting to HK\$76.8 million.

On 21 August 2020, the Board declared an interim dividend of HK20 cents per share which was paid on 15 September 2020 to shareholders of the Company whose names appear on the register of members of the Company on 11 September 2020, amounting to HK\$51.2 million.

## CAPITAL STRUCTURE

As at 30 June 2021 and 31 December 2020, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 ordinary shares of par value of HK\$0.01 each (the "**Ordinary Shares**") and the issued share capital of the Company was HK\$2,560,000 divided into 256,000,000 shares. The share capital of the Company only comprised the Ordinary Shares. There was no change in the share capital of the Company during the Period.

# Management Discussion and Analysis

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2021, the Group had 125 (30 June 2020: 124) full-time employees in Hong Kong. The Group believes that hiring, motivating and retaining qualified employees are crucial to the success as a reliable financial printer. During the Period, total staff costs (including Directors' emoluments) were approximately HK\$27.2 million (Prior Period: approximately HK\$27.3 million). The remuneration policies of the Group, including promotion, bonus, salary increment and other benefits, are based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as those benefits comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly. The Group also provides and arranges on-the-job training for its employees.

In addition, the Company adopted a share option scheme (the "**Scheme**") on 12 August 2015 (please refer to "SHARE OPTION SCHEME" under "Other Information" section for more information).

## **CAPITAL COMMITMENT**

As at 30 June 2021 and 31 December 2020, the Group did not have any significant capital commitment.

## **FOREIGN CURRENCY EXPOSURE**

The Group's sales and purchases are denominated in Hong Kong dollars. The Group will review and monitor from time to time the risk relating to foreign exchanges whenever applicable.

# Management Discussion and Analysis

## SIGNIFICANT INVESTMENTS

As at 30 June 2021, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$9.3 million (31 December 2020: HK\$22.7 million). The portfolio of equity investments as at 30 June 2021 are set out as follows:

Investment cost as at 30 June 2021	Percentage of fair value of the investment in listed securities/ total assets of the Group as at 30 June 2021	Unrealised gain/(loss) on fair value of financial assets at fair value through profit or loss		Accumulated unrealised gain/(loss) on fair value of financial assets at fair value through profit or loss recognised up to 31 December 2020 in relation to disposal recognised up to 31 December 2020		Fair value of the investment in listed securities as at 30 June 2021	
		prior to disposal during the Period	for the period ended 30 June 2021	during the Period	to 31 December 2020		
HK\$'000 (unaudited)	30 June 2021	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (unaudited)	
Financial assets at fair value through profit or loss	20,402	4.1%	733	(1,163)	3,055	(9,955)	9,284

The Group held less than 0.2% of shareholding in each of the listed securities in the above equity investments portfolio.

During the Period, the stock market in Hong Kong remained volatile and the Group will continue to adopt the cautious and risk/return balanced approach in equity investments.

Save as disclosed above, the Group did not have any significant investment as at 30 June 2021 (31 December 2020: Nil).

## CHARGES ON THE GROUP ASSETS

As at 30 June 2021 and 31 December 2020, the Group had no charges on the Group's assets.

# Management Discussion and Analysis

## **CONTINGENT LIABILITIES**

As at 30 June 2021 and 31 December 2020, the Group did not have any material contingent liabilities or guarantees.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

There was no specific plan for material investments or capital assets as at 30 June 2021.

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Period, there was no acquisition or disposal of subsidiaries, associates and joint ventures by the Group.

## **COMPETING INTERESTS**

The Directors are not aware of any business or interest of the Directors or the controlling shareholders of the Company nor any of their respective close associates that competed or might compete, either directly or indirectly, with the business of the Group and any other conflicts of interest which any such person or entity had or might have with the Group during the Period.

## **OUTLOOK**

Looking ahead, there are still uncertainties and challenges ahead of the Group's operating performance. While the global and Hong Kong economies are expected to recover strongly under the aggressive monetary and fiscal stimulus policies, the spread of the more infectious Covid-19 variants in many places of the world may cast uncertainty over the global economic recovery. The Hong Kong IPO market should remain active for the near term and support the demand of the financial printing services. However, there are several amendments/proposed amendments in the listing rules in Hong Kong that may affect the Group's future performance, including (i) the Stock Exchange recently required all IPOs must be paperless starting from July 2021; (ii) all documents put on display by listed companies to support listings and transactions must be made available online from October 2021; and (iii) the consultation to raise the profit threshold for the Main Board IPOs. Coping with the above challenges, the Group will continue to leverage on its competitive edges in branding and networking to further expand our customer base while optimising our professional services.

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2021, the interests and short positions of the board (the "**Board**") of directors (the "**Directors**") and the chief executive of REF Holdings Limited (the "**Company**") in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")), which were required: (a) to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "**Register**"); or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange were as follows:

#### LONG POSITION IN THE SHARES

Name of director	Capacity/ Nature of interest	Number of shares held	Percentage of issued share capital of the Company
Mr. Lau Man Tak ("Mr. Lau")	Interest in controlled corporations (Note)	192,000,000	75%

Note: Mr. Lau, the chairman of the Board and the non-executive director, owns 7,625 ordinary shares in, representing 76.25% of the issued share capital of, Rising Luck Management Limited ("**Rising Luck**"), and the remaining 23.75% thereof is owned by an independent third party. Rising Luck owns 47,500 ordinary shares in, representing 95% of the entire issued share capital of, Jumbo Ace Enterprises Limited ("**Jumbo Ace**"). Mr. Lau also has a direct 5% interest (or 2,500 ordinary shares) in Jumbo Ace. Under the SFO, Mr. Lau is deemed to be interested in 192,000,000 shares registered in the name of Jumbo Ace. Mr. Lau is a director of each of Rising Luck and Jumbo Ace, both being associated corporations of the Company.

Save as disclosed above, as at 30 June 2021, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## Other Information

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

So far as the Directors are aware of, as at 30 June 2021, the following persons/entities had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the Register of the Company required to be kept under section 336 of the SFO (the “**Substantial Shareholders’ Register**”), or who were directly or indirectly interested in 5% or more of the issued voting shares:

#### LONG POSITION IN THE SHARES

<b>Names</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares held</b>	<b>Percentage of issued share capital of the Company</b>
Jumbo Ace	Beneficial owner	192,000,000	75%
Rising Luck	Interest in controlled corporation (Note 1)	192,000,000	75%
Mr. Lau	Interest in controlled corporation (Notes 1 & 2)	192,000,000	75%
Ms. Lim Youngsook	Interest of spouse (Note 2)	192,000,000	75%

Note 1: Rising Luck owns 47,500 ordinary shares, representing 95% of the issued share capital of Jumbo Ace, the remaining 2,500 ordinary shares, representing 5% of which is owned by Mr. Lau. Mr. Lau owns 7,625 ordinary shares, representing 76.25% of the issued share capital of Rising Luck and the remaining 23.75% thereof is owned by an independent third party. Therefore, each of Rising Luck and Mr. Lau is deemed to be interested in 192,000,000 shares registered in the name of Jumbo Ace.

Note 2: Ms. Lim Youngsook is the wife of Mr. Lau and is, therefore, deemed to be interested in the shares owned by Mr. Lau (by himself and through his controlled corporations).

Save as disclosed above, as at 30 June 2021, the Directors were not aware of any persons who/entities which had any interest or short position in the shares or underlying shares of the Company that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders’ Register.

## Other Information

### CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 to the Listing Rules to ensure that business activities and decision making processes of the Company and its subsidiaries (collectively referred to as the “**Group**”) are regulated in a proper and prudent manner. The Board is satisfied that the Company had complied with the applicable code provisions as set out in the CG Code during the Period.

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code as its own code of conduct regarding Directors’ securities transactions. Following a specific enquiry made by the Company on each of the Directors, all of them confirmed that they had complied with the Model Code and its code of conduct regarding Directors’ securities transactions during the Period.

### CHANGES IN INFORMATION OF DIRECTORS

In accordance with Rule 13.51B(1) of the Listing Rules, changes of the information of the Directors, subsequent to the date of the annual report of the Company for the year ended 31 December 2020, required to be disclosed, are set out below:

<b>Name of director</b>	<b>Details of changes</b>
Mr. Lau	Resigned as an independent non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272) upon its cancellation of listing on GEM of the Stock Exchange on 13 July 2021.

### PURCHASE, REDEMPTION OR SALE OF THE LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities.

## Other Information

### SHARE OPTION SCHEME

The Company adopted the Scheme on 12 August 2015. The purpose of the Scheme is to advance the interests of the Company and the shareholders of the Company by enabling (i) the Company to grant options to attract, retain and reward the eligible persons and to provide them with an incentive or reward for their contribution to the Group and (ii) such persons' contribution to further advance the interests of the Group.

As at the date of this interim report, there were a total of 25,600,000 shares, representing 10% of the issued shares, available for issue under the Scheme.

No share option has been granted since the adoption of the Scheme. Therefore, there was no share option outstanding as at 30 June 2021 (2020: Nil) and no share option lapsed or was exercised or cancelled during the Period.

### AUDIT COMMITTEE

The Audit Committee has reviewed and discussed with the management of the Company on the unaudited condensed consolidated results of the Group for the Period including this report of the Company and the accounting principles and practices adopted by the Group and is of the view that the financial information and report have been prepared in compliance with the applicable accounting standards, the Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

### APPRECIATION

On behalf of the Board and management, I would like to express my sincere gratitude to all our clients, investors, suppliers, business partners and shareholders for their continued valuable support and trust. I would also like to take this opportunity to thank my fellow Directors for their advice and all of our staff for their dedication, hard work and contribution during the Period.

By Order of the Board  
**REF Holdings Limited**  
**Lau Man Tak**  
*Chairman*

Hong Kong, 20 August 2021



# Corporate Information

## **BOARD OF DIRECTORS**

### **EXECUTIVE DIRECTOR**

Ms. Kwok Kam Lai

### **CHAIRMAN AND**

### **NON-EXECUTIVE DIRECTOR**

Mr. Lau Man Tak

### **INDEPENDENT NON-EXECUTIVE DIRECTORS**

Mr. Leung Chi Hung

Mr. Wong Kun Kau

Mr. Lee Hon Man Eric

## **COMPANY SECRETARY**

Mr. Ko Wai Lun Warren

## **AUTHORISED**

### **REPRESENTATIVES**

Mr. Lau Man Tak

Ms. Kwok Kam Lai

## **AUDIT COMMITTEE**

Mr. Leung Chi Hung (*Chairman*)

Mr. Wong Kun Kau

Mr. Lee Hon Man Eric

## **REMUNERATION COMMITTEE**

Mr. Lee Hon Man Eric (*Chairman*)

Mr. Leung Chi Hung

Mr. Wong Kun Kau

## **NOMINATION COMMITTEE**

Mr. Wong Kun Kau (*Chairman*)

Mr. Leung Chi Hung

Mr. Lee Hon Man Eric

## **INDEPENDENT AUDITORS**

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

## **REGISTERED OFFICE**

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KY1-1108

Cayman Islands

## **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Units 5906–5912, 59th Floor, The Center

99 Queen's Road Central

Hong Kong

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Ocorian Trust (Cayman) Limited

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman

KY1-1108

Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Union Registrars Limited

Suites 3301–04, 33/F.

Two Chinachem Exchange Square

338 King's Road

North Point

Hong Kong

## **PRINCIPAL BANKERS**

The Hongkong and Shanghai

Banking Corporation Limited

Nanyang Commercial Bank, Limited

## **WEBSITE**

[www.ref.com.hk](http://www.ref.com.hk)

## **STOCK CODE**

1631