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REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1631)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

ANNUAL RESULTS

The board of directors (the “**Directors**” and the “**Board**”, respectively) of REF Holdings Limited (the “**Company**”) announces the draft consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2021 (the “**Year**”) together with the comparative audited figures for the year ended 31 December 2020. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	2021 <i>HK\$’000</i>	2020 <i>HK\$’000</i>
Revenue	4	135,082	147,495
Cost of services		(62,878)	(78,037)
Gross profit		72,204	69,458
Other gains and losses, net		(5,107)	4,460
Reversal/(provision) of allowance for expected credit losses in respect of trade receivables, net		593	(1,728)
Selling and distribution expenses		(13,854)	(12,827)
Administrative expenses		(41,868)	(37,210)
Finance costs		(853)	(964)
Profit before taxation	7	11,115	21,189
Taxation	6	(2,487)	(2,923)
Profit and total comprehensive income for the year attributable to owners of the Company		8,628	18,266
Earnings per share			
— Basic and diluted (HK cents)	9	3.37	7.14

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Assets			
Non-current assets			
Plant and equipment		12,087	5,282
Right-of-use assets		39,924	9,567
Goodwill		1,982	1,982
Deposits		6,616	–
Deferred tax assets		–	939
		60,609	17,770
Current assets			
Trade receivables	<i>10</i>	14,440	20,940
Prepayments, deposits and other receivables		2,677	8,499
Other current assets		1,597	965
Tax recoverable		2,059	3,137
Financial assets at fair value through profit or loss		1,426	22,733
Bank balances and cash		127,565	186,487
		149,764	242,761
Current liabilities			
Trade payables	<i>11</i>	2,602	3,837
Accruals and other payables		8,344	11,450
Lease liabilities		18,513	9,301
Contract liabilities		16,421	27,137
		45,880	51,725
Net current assets		103,884	191,036
Total assets less current liabilities		164,493	208,806
Non-current liabilities			
Lease liabilities		23,131	1,173
Accruals and other payables		1,858	–
Deferred tax liabilities		43	–
		25,032	1,173
Net assets		139,461	207,633
Capital and reserves			
Share capital		2,560	2,560
Reserves		136,901	205,073
Total equity attributable to owners of the Company		139,461	207,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 consolidated financial statements 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.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual periods beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2

In addition, the Group has early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021.

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Impacts on application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions and early application of Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

The Group has applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions for the first time and early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 in the current year retrospectively. The amendments introduce a new practical expedient for lessees to elect not to assess whether a Covid-19-related rent concession is a lease modification. The practical expedient only applies to rent concessions that occurred as a direct consequence of the Covid-19 pandemic that meets all of the following conditions:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 Leases if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The application of these amendments has had no material impact on the Group's financial positions and performance in the current and prior years.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs Standard 2018–2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The Directors anticipate that the application of the new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The consolidated financial statements have been prepared in accordance with HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the HKICPA, and accounting principles generally accepted in Hong Kong. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

4. REVENUE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Financial printing services recognised at a point in time:		
Printing	89,033	95,972
Translation	35,794	39,293
Media placement	10,255	12,230
	<u>135,082</u>	<u>147,495</u>

5. SEGMENT INFORMATION

During the years ended 31 December 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 years ended 31 December 2021 and 2020.

6. TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax:		
— Hong Kong	1,630	3,754
Over provision in prior year		
— Hong Kong	(125)	(20)
Deferred tax:		
Current year	982	(811)
	<u>2,487</u>	<u>2,923</u>

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

7. PROFIT BEFORE TAXATION

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' emoluments	2,185	2,505
Other staff costs:		
— Salaries, bonuses and other benefits	49,617	50,468
— Retirement scheme contributions	1,806	1,685
	<u>51,423</u>	<u>52,153</u>
Total employee benefit expense		
	<u>51,423</u>	<u>52,153</u>
Auditors' remuneration		
— Audit services	688	780
— Non-audit services	37	37
Depreciation of plant and equipment	3,606	3,635
Depreciation of right-of-use assets	18,552	17,992
Expenses related to short-term lease	1,635	–
Impairment loss recognised in respect of goodwill	–	426
Bad debt written off	711	98
	<u>711</u>	<u>98</u>

8. DIVIDENDS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the year:		
2021 Interim — HK\$Nil (2020: 2020 interim dividend of HK20 cents) per share	–	51,200
2020 Final — HK30 cents (2020: 2019 final dividend of HK\$Nil) per share	76,800	–
	<u>76,800</u>	<u>–</u>
	<u>76,800</u>	<u>51,200</u>

On 4 March 2022, the Board recommended the payment of a final dividend in respect of the year ended 31 December 2021 of HK20 cents per share (2020: final dividend in respect of the year ended 31 December 2020 of HK30 cents per share), amounting to HK\$51,200,000 (2020: HK\$76,800,000). The proposed final dividend will be submitted for consideration at the annual general meeting to be held on 27 April 2022.

9. EARNINGS PER SHARE

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Earnings:		
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>8,628</u>	<u>18,266</u>
	<i>'000</i>	<i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>Note</i>)	<u>256,000</u>	<u>256,000</u>
Basic earnings per share (HK cents)	<u>3.37</u>	<u>7.14</u>

Note:

The calculation of basic earnings per share for the years ended 31 December 2021 and 2020 is based on the profit attributable to owners of the Company for the years and the weighted average number of shares for the relevant period.

Diluted earnings per share is the same as the basic earnings per share for the years ended 31 December 2021 and 2020 as there were no potential dilutive ordinary shares in issue.

10. TRADE RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade receivables	15,856	22,949
Less: Allowance for expected credit losses	<u>(1,416)</u>	<u>(2,009)</u>
	<u>14,440</u>	<u>20,940</u>

The following is an aged analysis of trade receivables, presented based on the invoice dates at the end of the reporting period:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	6,811	12,085
31 to 60 days	5,259	2,740
61 to 90 days	536	990
91 to 150 days	2,038	3,160
Over 150 days	1,212	3,974
	<u>15,856</u>	<u>22,949</u>

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

The Group does not hold any collateral over the balances.

11. TRADE PAYABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	<u>2,602</u>	<u>3,837</u>

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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 60 days	2,524	3,601
61 to 90 days	70	–
91 to 120 days	8	–
Over 120 days	–	236
	<u>2,602</u>	<u>3,837</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Review

The global economies staged strong recoveries as a result of the extraordinary monetary and fiscal policies launched under the continuous Covid-19 pandemic during the Year, however, the Hong Kong stock market was still under pressure and the Hong Kong initial public offering (the “**IPO**”) activities turned extremely quiet in the second half of 2021. Nevertheless the Group’s dedicated staff has spent relentless effort to ensure its best-in-class one-stop financial printing services uninterrupted, as well as to keep its customers and business partners safe under the pandemic.

For the Year, the Group’s revenue decreased by approximately 8.4% as compared to that of the year ended 31 December 2020 (the “**Prior Year**”). The profit attributable to owners of the Company for the Year was approximately HK\$8.6 million (2020: approximately HK\$18.3 million), representing a decrease of about 53.0% as compared to that of the Prior Year. Earnings per share for the Year was approximately HK3.37 cents (2020: approximately HK7.14 cents).

Financial Review

Revenue

The Group’s revenue decreased by approximately HK\$12.4 million, or 8.4%, from approximately HK\$147.5 million for the Prior Year to approximately HK\$135.1 million for the Year. The decrease was primarily attributable to (i) the delay or cancellation of existing IPO projects on hand; and (ii) the intensified market competition under the Covid-19 pandemic.

Gross Profit and Gross Profit Margin

The Group’s gross profit increased by approximately HK\$2.7 million, or about 3.9%, from approximately HK\$69.5 million for the Prior Year to approximately HK\$72.2 million for the Year, which was mainly due to the decrease in cost of services. Our gross profit margin for the Year and the Prior Year were maintained at relative high level of approximately 53.4% and 47.1% respectively.

Other Gains and Losses, Net

The Group’s other losses, net were approximately HK\$5.1 million for the Year whereas it was recorded other gains, net of approximately HK\$4.5 million in the Prior Year. Such change was mainly attributable to the absence of government grants of approximately HK\$6.9 million received in the Prior Year pursuant to the Anti-epidemic Fund and the Employment Support Scheme set up by the Hong Kong Government.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$1.0 million, or 7.8%, from approximately HK\$12.8 million for the Prior Year to approximately HK\$13.8 million for the Year. The increase was mainly attributable to the resumption of sales initiatives to retain existing customers and enhance customer base after the propagation of Covid-19 vaccination during the Year.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$4.7 million, or 12.6%, from approximately HK\$37.2 million for the Prior Year to approximately HK\$41.9 million for the Year. The increase was attributable to (i) the one-off expenses for office relocation during the Year; and (ii) the provision of personal protective equipment to its staff and customers in the fight against Covid-19.

Finance Costs

Finance costs decreased by approximately HK\$0.1 million, or 10.0%, from approximately HK\$1.0 million for the Prior Year to approximately HK\$0.9 million for the Year. The decrease was mainly due to the decrease of finance expenses on leased premises and leased equipment for the Year.

Taxation

Taxation decreased by approximately HK\$0.4 million, or 13.8%, from approximately HK\$2.9 million for the Prior Year to approximately HK\$2.5 million for the Year. The decrease was mainly attributable to the decrease in profit before taxation for the Year.

Profit for the Year and Net Profit Margin

The profit for the Year was approximately HK\$8.6 million, representing a decrease of approximately HK\$9.7 million, or 53.0% as compared with approximately HK\$18.3 million for the Prior Year. The decrease was primarily attributable to (i) the reduction in government grants; (ii) the incurrence of one-off expenses for office relocation and loss on disposal of fixed assets during the Year; (iii) the existing IPO projects on hand were either delayed or cancelled; and (iv) the intensified market competition under the Covid-19 pandemic. The net profit margin for the Year and the Prior Year were approximately 6.4% and 12.4%, respectively.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 31 December 2021,

- (a) the Group's total assets decreased to approximately HK\$210.4 million (2020: approximately HK\$260.5 million) while the total equity decreased to approximately HK\$139.5 million (2020: approximately HK\$207.6 million);
- (b) the Group's current assets decreased to approximately HK\$149.8 million (2020: approximately HK\$242.8 million) and the current liabilities decreased to approximately HK\$45.9 million (2020: approximately HK\$51.7 million);
- (c) the Group had approximately HK\$127.6 million in bank balances and cash available (2020: approximately HK\$186.5 million) and the current ratio of the Group was approximately 3.3 (2020: approximately 4.7);
- (d) the Group did not have any bank borrowings, bank overdrafts and tax loans (2020: Nil); and
- (e) the gearing ratio of the Group was approximately 0.3 due to the increase in lease liabilities (2020: approximately 0.05).

CAPITAL EXPENDITURE

The capital expenditure during the Year was related to expenditures on additions of plant and equipment, amounting to approximately HK\$13.5 million, mainly to cope with the operation needs and the enhancement of office premises in May 2021 (2020: approximately HK\$32,000).

CAPITAL COMMITMENT

As at 31 December 2021, the Group had capital commitment in respect of the acquisition of plant and equipment contracted for but not provided in the consolidated financial statements of approximately HK\$391,000 (2020: Nil).

SIGNIFICANT INVESTMENTS

As at 31 December 2021, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$1.4 million (2020: approximately HK\$22.7 million). The portfolio of equity investments as at 31 December 2021 are set out as follows:

Investment cost HK\$'000	Percentage of fair value of the investment in listed securities/ total assets of the Group as at 31 December 2021	Net sales proceeds of the investment in listed securities disposed during the Year HK\$'000	Unrealised 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		Fair value of the investment in listed securities as at 31 December 2021 HK\$'000
			recognised prior to disposal during the Year HK\$'000	recognised for the Year HK\$'000	recognised up to 31 December 2020 in relation to disposal during the Year HK\$'000	recognised up to 31 December 2020 HK\$'000	
30,459	0.7%	(19,074)	(2,738)	(321)	1,910	(8,810)	1,426
Financial assets at fair value through profit or loss							

The Group held less than 0.1% of shareholding in each of the listed securities in the above equity investments portfolio.

During the Year, the Hong Kong stock market remained volatile and thus the Group has sold most of the stocks in its equity portfolio to reduce risk.

Save as disclosed above, the Group did not have any significant investments as at 31 December 2021.

CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any material contingent liabilities or guarantees (2020: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2021, the Group had 122 (2020: 129) full-time employees in Hong Kong. The Board believes that hiring, motivating and retaining qualified employees are crucial to the success as a leading financial printer. Total staff costs (including Directors' emoluments) were approximately HK\$53.6 million (2020: approximately HK\$54.7 million). The remuneration packages of the Group's employees include basic salary, allowances, medical scheme, retirement scheme contributions, commission and discretionary bonuses. 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 trainings for its employees. The dedication and hard work of the Group's staff during the Year are generally appreciated and recognised.

In addition, the Company adopted a share option scheme (the “**Scheme**”). Since its adoption, no options have been granted or agreed to be granted pursuant to the Scheme and therefore, there were no outstanding options as at 31 December 2021 (2020: Nil).

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 31 December 2021, the Group had no borrowings or charges on the Group's assets (2020: Nil).

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

FOREIGN CURRENCY EXPOSURE

The Group's businesses are solely operated in Hong Kong. The sales and purchases are mainly denominated in Hong Kong dollars (“**HK\$**”) and customers rarely request to settle our billing by other foreign currencies.

The Group's assets, liabilities and transactions are mainly denominated in HK\$. Only a little portion of the Group's bank balances maintained with licensed banks in Hong Kong are denominated in United States dollars which is freely convertible into HK\$. The Board is of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and therefore, no hedging arrangements were made during the Year. However, the Board will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

OUTLOOK

Looking ahead, the outbreak of the new Covid-19 variant is the key barrier of ending the pandemic. The expected global interest rate hikes and tightening monetary policies may bring along financial markets turmoil. We will remain responsive to the changing market conditions and will continue to leverage on our competitive edges in branding and networking to further expand our customer base.

CORPORATE GOVERNANCE PRACTICES

The Directors consider that incorporating the elements of good corporate governance in the management structures and internal control procedures of the Group could balance the interests of the shareholders, customers, suppliers and employees of the Company. The Company has adopted the principles and the code provisions of the Corporate Governance Code (version up to 31 December 2021) (the “**CG Code**”) as set out in Appendix 14 of Listing Rules on the Stock Exchange to ensure that business activities and decision making processes of 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 Year.

Furthermore, the Board will adopt the new CG Code (version with effect from 1 January 2022), the requirement under which shall apply to the Company’s corporate governance report in the forthcoming financial year ending 31 December 2022.

In accordance with the requirements of the Listing Rules, the Company has established an audit committee (the “**Audit Committee**”), a remuneration committee (the “**Remuneration Committee**”) and a nomination committee (the “**Nomination Committee**”) with specific written terms of reference.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Year, the Group was in compliance with all the laws and regulations applicable to the business operations of the Group.

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 (the “**Model Code**”) of Listing Rules 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 transaction during the Year.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the year ended 31 December 2021 and up to the date of this announcement.

DIVIDENDS

On 4 March 2022, the Board recommended the payment of a final dividend in respect of the year ended 31 December 2021 of HK20 cents per share (2020: final dividend in respect of the year ended 31 December 2020 of HK30 cents per share), amounting to HK\$51,200,000 (2020: HK\$76,800,000). The proposed final dividend will be submitted for consideration at the Annual General Meeting to be held on Wednesday, 27 April 2022.

ANNUAL GENERAL MEETING (“AGM”)

The forthcoming AGM will be held on Wednesday, 27 April 2022. A notice convening the AGM will be published in due course in the manner required by the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 22 April 2022 to Wednesday, 27 April 2022, both days inclusive, during which period no transfer of Shares will be registered. For determining the entitlement of the shareholders to attend and vote at the AGM, the non-registered shareholders must lodge all share transfer documents accompanied by the relevant share certificates with the Company’s branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, no later than 4:00 p.m. on Thursday, 21 April 2022 for registration.

RECORD DATE FOR PROPOSED FINAL DIVIDEND

For the purpose of ascertaining the shareholders’ entitlement to the proposed final dividend, the register of members will be closed from Thursday, 5 May 2022 to Wednesday, 11 May 2022, both days inclusive. The proposed final dividend will be payable to the shareholders of the Company whose names appear on the register of members of the Company as at Wednesday, 11 May 2022. In order to qualify for the proposed final dividend payable on or before Friday, 13 May 2022, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar and transfer office in Hong Kong (Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong) for registration no later than 4:00 p.m. on Wednesday, 4 May 2022.

AUDIT COMMITTEE

The Company had established the Audit Committee on 12 August 2015. The primary duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal control systems of the Company, make recommendations to the Board on the appointment, reappointment and removal of the independent auditors, and review the Company's financial information.

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Leung Chi Hung (chairman of the Audit Committee), Mr. Wong Kun Kau and Mr. Lee Hon Man Eric. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters, including review of the consolidated financial statements for the Year.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), to the amounts set out in the Group's drafted consolidated financial statements for the year. The work performed by HLB in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB on this preliminary announcement.

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

Hong Kong, 4 March 2022

As at the date of this announcement, the executive Director is Ms. Kwok Kam Lai; the non-executive Director is Mr. Lau Man Tak (Chairman); and the independent non-executive Directors are Mr. Leung Chi Hung, Mr. Wong Kun Kau and Mr. Lee Hon Man Eric.