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REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1631)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

INTERIM RESULTS

The board of directors (the “**Directors**” and the “**Board**”, respectively) 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 2022 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 2022

| | | Six months ended 30 June | |
|---|--------------|---------------------------------|--------------------|
| | | 2022 | 2021 |
| | | HK\$’000 | HK\$’000 |
| | <i>Notes</i> | (unaudited) | (unaudited) |
| Revenue | 4 | 72,053 | 77,190 |
| Cost of services | | (35,649) | (34,812) |
| | | <hr/> | <hr/> |
| Gross profit | | 36,404 | 42,378 |
| Other gains and losses, net | | 1,517 | (4,099) |
| Reversal of allowance for expected credit losses in respect of trade receivables, net | | 1,207 | 996 |
| Selling and distribution expenses | | (7,140) | (6,549) |
| Administrative expenses | | (19,958) | (22,640) |
| Finance costs | | (609) | (195) |
| | | <hr/> | <hr/> |
| Profit before taxation | 7 | 11,421 | 9,891 |
| Taxation | 6 | (1,620) | (2,119) |
| | | <hr/> | <hr/> |
| Profit and total comprehensive income for the period attributable to owners of the Company | | 9,801 | 7,772 |
| | | <hr/> | <hr/> |
| Earnings per share | | | |
| — Basic and diluted (HK cents) | 9 | 3.83 | 3.04 |
| | | <hr/> <hr/> | <hr/> <hr/> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

| | | As at 30 June 2022 <i>HK\$'000</i> (unaudited) | As at 31 December 2021 <i>HK\$'000</i> (audited) |
|--|--------------|---|--|
| | <i>Notes</i> | | |
| Assets | | | |
| Non-current assets | | | |
| Plant and equipment | | 10,731 | 12,087 |
| Right-of-use assets | | 34,327 | 39,924 |
| Goodwill | | 1,982 | 1,982 |
| Deposits | | 6,240 | 6,616 |
| | | <u>53,280</u> | <u>60,609</u> |
| Current assets | | | |
| Trade receivables | <i>10</i> | 46,347 | 14,440 |
| Prepayments, deposits and other receivables | | 2,666 | 2,677 |
| Other current assets | | 1,539 | 1,597 |
| Tax recoverable | | 400 | 2,059 |
| Financial assets at fair value through profit or loss | | 1,031 | 1,426 |
| Fixed deposits with maturity over three months | | 14,000 | – |
| Bank balances and cash | | 47,951 | 127,565 |
| | | <u>113,934</u> | <u>149,764</u> |
| Current liabilities | | | |
| Trade payables | <i>11</i> | 4,985 | 2,602 |
| Accruals and other payables | | 10,562 | 8,344 |
| Lease liabilities | | 20,594 | 18,513 |
| Contract liabilities | | 15,317 | 16,421 |
| | | <u>51,458</u> | <u>45,880</u> |
| Net current assets | | <u>62,476</u> | <u>103,884</u> |
| Total assets less current liabilities | | <u>115,756</u> | <u>164,493</u> |

| | As at 30 June 2022 HK\$'000 (unaudited) | As at 31 December 2021 HK\$'000 (audited) |
|---|--|--|
| Non-current liabilities | | |
| Lease liabilities | 15,832 | 23,131 |
| Accruals and other payables | 1,858 | 1,858 |
| Deferred tax liabilities | 4 | 43 |
| | <u>17,694</u> | <u>25,032</u> |
| Net assets | <u>98,062</u> | <u>139,461</u> |
| Capital and reserves | | |
| Share capital | 2,560 | 2,560 |
| Reserves | 95,502 | 136,901 |
| | <u>98,062</u> | <u>139,461</u> |
| Total equity attributable to owners of the Company | <u>98,062</u> | <u>139,461</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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.

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 is Units 5906–5912, 59th Floor, The Center, 99 Queen’s Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial printing services and investment holdings. The condensed 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. 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 results announcement is unaudited but has been reviewed by the audit committee of the Company (the “**Audit Committee**”) and it was authorised for issue on 19 August 2022.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2021 annual report, except for the changes in accounting policies that are expected to be reflected in the 2022 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 results announcement 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 2021 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 2021 that is included in the interim results announcement as comparative information does not constitute the Group's annual financial statements for that financial year but is derived from those financial statements.

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 2022 for the preparation of the condensed consolidated financial statements:

| | |
|----------------------|--|
| HKFRS 3 (Amendments) | Reference to the Conceptual Framework |
| HKAS 16 (Amendments) | Property, Plant and Equipment — Proceeds before Intended Use |
| HKAS 37 (Amendments) | Onerous Contracts — Cost of Fulfilling a Contract |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2018–2020 |

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 | |
|---|---------------------------------|------------------------|
| | 2022 | 2021 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (unaudited) | (unaudited) |
| Financial printing services recognised at a point in time: | | |
| Printing | 45,719 | 51,719 |
| Translation | 20,255 | 20,391 |
| Media placement | 6,079 | 5,080 |
| | <u>72,053</u> | <u>77,190</u> |

5. SEGMENT INFORMATION

During the six months ended 30 June 2022 and 2021, 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 2022 and 2021.

6. TAXATION

| | Six months ended 30 June | |
|----------------|--------------------------|--------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Current tax | | |
| — Hong Kong | 1,659 | 1,159 |
| Deferred tax | | |
| Current period | (39) | 960 |
| | <u>1,620</u> | <u>2,119</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.

The two-tiered profits tax rates regime is applicable to the Group for the six months ended 30 June 2022 and 2021.

7. PROFIT BEFORE TAXATION

| | Six months ended 30 June | |
|---|--------------------------|---------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Profit before taxation has been arrived at after charging: | | |
| Directors' emoluments | 1,368 | 1,141 |
| Other staff costs: | | |
| — Salaries, bonuses and other benefits | 26,925 | 25,105 |
| — Retirement scheme contributions | 876 | 930 |
| | <u>27,801</u> | <u>26,035</u> |
| Total employee benefit expense | <u>27,801</u> | <u>26,035</u> |
| Auditors' remuneration | 344 | 390 |
| Depreciation of plant and equipment | 2,026 | 1,581 |
| Depreciation of right-of-use assets | 10,098 | 10,261 |
| Expenses related to short-term lease | — | 1,635 |
| Bad debt written off | — | 427 |
| | <u>—</u> | <u>427</u> |

8. DIVIDENDS

The Board does not declare the payment of any interim dividend for the six months ended 30 June 2022.

On 4 March 2022, the Board declared a final dividend of HK20 cents per share which was paid on 13 May 2022 to shareholders of the Company whose names appear on the register of members of the Company on 11 May 2022, amounting to HK\$51,200,000.

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.

9. 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 | |
|--|---------------------------------|--------------------|
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Earnings: | | |
| Profit attributable to owners of the Company for the purpose of calculating basic earnings per share | <u>9,801</u> | <u>7,772</u> |
| | | |
| | Six months ended 30 June | |
| | 2022 | 2021 |
| | '000 | '000 |
| | (unaudited) | (unaudited) |
| 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>3.83</u> | <u>3.04</u> |

note:

The calculation of basic earnings per share for the six months ended 30 June 2022 and 2021 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 2022 and 2021 as there were no potential dilutive ordinary shares in issue.

10. TRADE RECEIVABLES

| | As at | As at |
|--|----------------------|--------------------|
| | 30 June | 31 December |
| | 2022 | 2021 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (audited) |
| Trade receivables | 46,556 | 15,856 |
| Less: Allowance for expected credit losses | <u>(209)</u> | <u>(1,416)</u> |
| | <u>46,347</u> | <u>14,440</u> |

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

| | As at 30 June 2022 <i>HK\$'000</i> (unaudited) | As at 31 December 2021 <i>HK\$'000</i> (audited) |
|----------------|---|--|
| Within 30 days | 12,676 | 6,811 |
| 31–60 days | 11,812 | 5,259 |
| 61–90 days | 15,837 | 536 |
| 91–150 days | 5,102 | 2,038 |
| Over 150 days | 1,129 | 1,212 |
| | <u>46,556</u> | <u>15,856</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

| | As at 30 June 2022 <i>HK\$'000</i> (unaudited) | As at 31 December 2021 <i>HK\$'000</i> (audited) |
|----------------|---|--|
| Trade payables | <u>4,985</u> | <u>2,602</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:

| | As at 30 June 2022 <i>HK\$'000</i> (unaudited) | As at 31 December 2021 <i>HK\$'000</i> (audited) |
|----------------|---|--|
| Within 60 days | 4,631 | 2,524 |
| 61 to 90 days | 170 | 70 |
| 91 to 120 days | 184 | 8 |
| | <u>4,985</u> | <u>2,602</u> |

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

For the six months ended 30 June 2022 (the “**Period**”), the Hong Kong economy experienced negative growth from a year earlier under the emergence of Covid-19 variant Omicron, tightened global financial conditions and Russia-Ukraine conflict. Hong Kong experienced the same downtrend in initial public offering (“**IPO**”) and other fund raising activities as most key global financial markets. Hong Kong’s global IPO ranking dropped further to the ninth during the Period. The Group was responsive to this market headwind and managed to leverage its best-in-class one-stop financial printing services in exploring new customers. One of the Group’s successful IPO projects during the Period was a special purpose acquisition company (the “**SPAC**”), which is a new listing regime commenced by the Stock Exchange in 2022. Meanwhile, the Group maintained prudent cost control and optimised operating efficiency to enhance its profitability. Profit attributable to owners of the Company for the Period improved gradually comparing to the six months ended 30 June 2021 (the “**Prior Period**”). The Group paid special attention to environmental protection in the process of operation. During the Period, the Group has compensated the greenhouse gas emissions for the financial year ended 31 December 2021.

Printing Services

Printing revenue during the Period was approximately HK\$45.7 million (the Prior Period: approximately HK\$51.7 million), representing a decrease of approximately 11.6% as compared to that of the Prior Period, which was primarily due to further delay of existing IPO projects on hand and intensified market competition for the printing of other listing documents. For the six months ended 30 June 2022 and 2021, the revenue generated from the printing services represented approximately 63.5% and 67.0% respectively of the total revenue.

Translation Services

Translation revenue during the Period was approximately HK\$20.2 million (the Prior Period: approximately HK\$20.4 million), representing a marginal decrease of approximately 1.0% as compared to that of the Prior Period. Customers’ demand for translation services remained stable during the Period. For the six months ended 30 June 2022 and 2021, the revenue generated from the translation services represented approximately 28.0% and 26.4% respectively of the total revenue.

Media Placement Services

Media placement revenue during the Period was approximately HK\$6.1 million (the Prior Period: approximately HK\$5.1 million), representing an increase of approximately 19.6% as compared to that of the Prior Period, which was mainly due to the increasing of demand from customers for media placement services under new disclosure requirements of Listing Rules. For the six months ended 30 June 2022 and 2021, the revenue generated from the media placement services represented approximately 8.5% and 6.6% respectively of the total revenue.

Financial Review

Revenue

The Group's revenue decreased by approximately HK\$5.2 million, or 6.7%, from approximately HK\$77.2 million for the Prior Period to approximately HK\$72.0 million for the Period. The decrease was primarily attributable to (i) the existing IPO projects on hand were further delayed; and (ii) the competitive market for the printing of other listing documents.

Cost of Services

The Group's cost of services increased by approximately HK\$0.8 million, or 2.3%, from approximately HK\$34.8 million for the Prior Period to approximately HK\$35.6 million for the Period. The cost of services remained under control.

Other Gains and Losses, Net

The Group's other gains, net were approximately HK\$1.5 million for the Period whereas it was recorded other losses, net of approximately HK\$4.1 million for the Prior Period. Such change was attributable to the government grants of HK\$1.6 million received during the Period in relation 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. Meanwhile, the loss on fair value change on financial assets at fair value through profit or loss decreased from approximately HK\$1.5 million for the Prior Period to approximately HK\$0.4 million for the Period.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$0.6 million, or 9.2%, from approximately HK\$6.5 million for the Prior Period to approximately HK\$7.1 million for the Period. The increase was attributable to the resumption of sales initiatives after the relaxation of social distancing policies.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$2.6 million, or 11.5%, from approximately HK\$22.6 million for the Prior Period to approximately HK\$20.0 million for the Period. The decrease was mainly attributable to the absence of one-off office relocation expenses during the Period.

Finance Costs

Finance costs increased by approximately HK\$0.4 million, or 200.0%, from approximately HK\$0.2 million for the Prior Period to approximately HK\$0.6 million for the Period. The increase was mainly contributed by the increase of finance expenses on leased premises for the Period.

Taxation

Taxation decreased by approximately HK\$0.5 million, or 23.8%, from approximately HK\$2.1 million for the Prior Period to approximately HK\$1.6 million for the Period. The decrease was mainly due to the decrease in deferred taxation payable for the Period.

Profit for the Period

As a result, the profit for the Period was approximately HK\$9.8 million, representing an increase of approximately HK\$2.0 million, or 25.6% as compared with approximately HK\$7.8 million for the Prior Period.

Profitability

The Group's gross profit margin for the Period decreased by 4.3 percentage point to 50.6%. However, with the support of optimised operating efficiency, net profit margin for the Period increased by 3.5 percentage point to 13.6%.

Gearing Ratio

As at 30 June 2022, the gearing ratio of the Group was 0.4 (31 December 2021: 0.3). The increase was due to the decrease in total equity as a result of dividend payment during the Period.

Liquidity and Financial Resources

As at 30 June 2022, cash and cash equivalents (including fixed deposits with maturity over three months) of the Group amounted to approximately HK\$62.0 million (31 December 2021: approximately HK\$127.6 million). The current ratios (current assets divided by current liabilities) of the Group were 2.2 times and 3.3 times as at 30 June 2022 and 31 December 2021, respectively. In view of the Group's current level of cash and cash equivalents and funds generated internally from its operations, the Board 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\$0.8 million (the Prior Period: approximately HK\$13.4 million), mainly to cope with the operation needs.

Dividends

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

On 4 March 2022, the Board declared a final dividend of HK20 cents per share which was paid on 13 May 2022 to shareholders of the Company whose names appear on the register of members of the Company on 11 May 2022, amounting to HK\$51.2 million.

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.

Capital Structure

As at 30 June 2022 and 31 December 2021, 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.

Employees and Remuneration Policy

As at 30 June 2022, the Group had 109 (30 June 2021: 125) 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\$29.2 million (the Prior Period: approximately HK\$27.2 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” for more information).

Capital Commitment

As at 30 June 2022, the Group did not have any significant capital commitment (31 December 2021: approximately HK\$391,000).

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.

Significant Investments

As at 30 June 2022, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$1.0 million (31 December 2021: approximately HK\$1.4 million). The portfolio of equity investments as at 30 June 2022 are set out as follows:

| | Investment cost as at 30 June 2022 <i>HK\$'000</i> (unaudited) | Percentage of fair value of the investment in listed securities/ total assets of the Group as at 30 June 2022 | Unrealised loss on fair value for the Period <i>HK\$'000</i> (unaudited) | Accumulated unrealised loss on fair value up to 31 December 2021 <i>HK\$'000</i> (audited) | Fair value of the investment in listed securities as at 30 June 2022 <i>HK\$'000</i> (unaudited) |
|--|---|---|--|---|---|
| Financial assets at fair value through profit or loss | <u>10,557</u> | <u>0.6%</u> | <u>(394)</u> | <u>(9,132)</u> | <u>1,031</u> |

The Group held less than 0.1% 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 2022 (31 December 2021: nil).

Charges on the Group Assets

As at 30 June 2022 and 31 December 2021, the Group had no charges on the Group's assets.

Contingent Liabilities

As at 30 June 2022 and 31 December 2021, 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 2022.

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

The Group is proactively pivoting to adapt to the economic environment and pursuing higher returns for all shareholders. Global and domestic economic activities are likely to show revival but the extent will depend on how the Covid-19 pandemic evolves and how the tighter financial conditions affect consumers' spending power and sentiment. Although it will take time for the fund raising activities of the Hong Kong stock market to recover, a strong IPO pipeline should reinvigorate the city's listing activities. Return listings of China-concept stocks and China-related new economy listings should be the key themes of the Hong Kong's IPO market in near future. The Group is fully committed to leverage on its competitive edges in branding and networking to further expand its customer base, while continue to offer the best-in-class one-stop financial printing services to its customers. Meanwhile, the Group will continue to devote resources to enhance its sustainability development.

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 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (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.

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.

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 results announcement, 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 2022 and 2021 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 announcement of the Company and the accounting principles and practices adopted by the Group and is of the view that the financial information and announcement 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.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The 2022 interim report will be dispatched to the shareholders and published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.ref.com.hk in due course. This announcement can also be accessed on the above websites.

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

Hong Kong, 19 August 2022

As at the date of this announcement, the Board of the Company comprises Ms. Fan Jia Yin as executive director; Mr. Lau Man Tak (Chairman) as non-executive director; and Mr. Leung Chi Hung, Mr. Wong Kun Kau and Mr. Lee Hon Man Eric as independent non-executive directors.