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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 2024

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of REF Holdings Limited (the “**Company**”) announces the consolidated annual results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024 (the “**Year**”) together with the comparative audited figures for the year ended 31 December 2023. 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 2024

	<i>Notes</i>	2024 <i>HK\$’000</i>	2023 <i>HK\$’000</i>
Revenue	4	106,360	124,041
Cost of services		(50,292)	(60,795)
Gross profit		56,068	63,246
Other gains and losses, net		1,326	1,817
(Provision)/reversal of allowance for expected credit losses in respect of trade receivables, net		(161)	729
Selling and distribution expenses		(12,125)	(13,721)
Administrative expenses		(36,667)	(37,552)
Finance costs		(1,662)	(603)
Profit before taxation	6	6,779	13,916
Taxation	7	(1,110)	(2,202)
Profit for the year attributable to owners of the Company		5,669	11,714

	<i>Note</i>	2024 HK\$'000	2023 HK\$'000
Other comprehensive (loss)/income for the year <i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of financial statement of an overseas subsidiary		<u>(92)</u>	<u>17</u>
Total comprehensive income for the year attributable to owners of the Company		<u><u>5,577</u></u>	<u><u>11,731</u></u>
Earnings per share			
— Basic and diluted (<i>HK cents</i>)	9	<u><u>2.21</u></u>	<u><u>4.58</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Assets			
Non-current assets			
Plant and equipment		2,589	5,054
Right-of-use assets		34,224	8,905
Goodwill		1,982	1,982
Deposits		5,286	286
Deferred tax assets		1,391	968
		45,472	17,195
Current assets			
Trade receivables	<i>10</i>	21,862	22,754
Prepayments, deposits and other receivables		2,206	8,289
Other current assets		206	900
Financial assets at fair value through profit or loss		454	856
Fixed deposits with original maturity over three months		–	18,011
Bank balances and cash		55,298	36,220
		80,026	87,030
Liabilities			
Current liabilities			
Trade payables	<i>11</i>	895	2,406
Accruals and other payables		4,038	10,806
Lease liabilities		15,675	7,652
Contract liabilities		2,198	9,088
Tax payable		649	626
		23,455	30,578
Net current assets		56,571	56,452
Total assets less current liabilities		102,043	73,647
Non-current liabilities			
Lease liabilities		20,744	893
Accruals and other payables		1,566	–
		22,310	893
Net assets		79,733	72,754
Capital and reserves			
Share capital		2,560	2,560
Reserves		77,173	70,194
Total equity attributable to owners of the Company		79,733	72,754

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

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 Act (as 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, 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 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 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 NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

Amendments to HKFRSs that are mandatorily effective for the Year

In the 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 Group’s annual periods beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the 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.

New and amendments to HKFRSs in issue but are 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:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11 ³
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statements ⁴

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2026.

⁴ Effective for annual periods beginning on or after 1 January 2027.

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. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Financial printing services recognised at a point in time:		
Printing	53,510	64,911
Translation	43,583	47,854
Media placement	9,267	11,276
	<u>106,360</u>	<u>124,041</u>
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Financial printing services by major services line recognised at a point in time:		
Financial reports	65,640	75,535
Circulars	9,874	14,738
Initial public offering (“IPO”) prospectuses	11,711	11,237
Announcements and notices	15,685	19,137
Others	3,450	3,394
	<u>106,360</u>	<u>124,041</u>

5. SEGMENT INFORMATION

During the years ended 31 December 2024 and 2023, 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 mainly 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 2024 and 2023.

6. PROFIT BEFORE TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' emoluments	1,825	1,879
Other staff costs:		
— Salaries, bonuses and other benefits	46,336	48,005
— Retirement scheme contributions	1,654	1,579
	<u>47,990</u>	<u>49,584</u>
Total employee benefit expense		
Auditors' remuneration:		
— Audit services	628	688
— Non-audit services	34	37
Depreciation of plant and equipment	2,622	3,977
Depreciation of right-of-use assets	17,843	19,526
Equity-settled share-based payments (included in administrative expenses)	1,402	–
Expenses related to short-term lease	306	69
Bad debt written off	1,356	740
	<u><u>1,356</u></u>	<u><u>740</u></u>

7. TAXATION

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax:		
— Hong Kong	1,527	2,464
— The People's Republic of China (the "PRC")	12	14
	<u>1,539</u>	<u>2,478</u>
Over provision in prior year:		
— Hong Kong	(6)	(27)
Deferred tax:		
The Year	(423)	(249)
	<u><u>1,110</u></u>	<u><u>2,202</u></u>

The Group is subject to income tax on an entity basis on profits arising or derived from the jurisdictions in which members of the Group are domiciled and operated. Provision on profits assessable elsewhere has been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

8. DIVIDENDS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the Year:		
2024 Final — HK\$Nil (2023: 2022 final dividend of HK15 cents) per share	<u>—</u>	<u>38,400</u>

At the Board meeting held on 6 March 2025, the Board resolved not to declare final dividend for the Year.

9. EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Earnings:		
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>5,669</u>	<u>11,714</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 (<i>HK cents</i>)	<u>2.21</u>	<u>4.58</u>

note:

The calculation of basic earnings per share for the years ended 31 December 2024 and 2023 is based on the profit attributable to owners of the Company for the years and the weighted average number of ordinary shares for the relevant period.

The computation of diluted earnings per share for the Year does not assume the exercise of the Company's share options because the exercise price of the Company's share options was higher than the average market price for shares for the Year.

Diluted earnings per share is same as the basic earnings per share for the year ended 31 December 2023 as there were no potential dilutive ordinary shares in issue.

10. TRADE RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	24,782	25,513
Less: Allowance for expected credit losses	<u>(2,920)</u>	<u>(2,759)</u>
	<u>21,862</u>	<u>22,754</u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	5,990	6,642
31 to 60 days	5,420	5,883
61 to 90 days	1,704	3,242
91 to 150 days	5,118	4,818
Over 150 days	<u>6,550</u>	<u>4,928</u>
	<u>24,782</u>	<u>25,513</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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	<u>895</u>	<u>2,406</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:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 60 days	895	2,350
61 to 90 days	–	–
91 to 120 days	–	–
Over 120 days	<u>–</u>	<u>56</u>
	<u>895</u>	<u>2,406</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Review

As we reflect upon the past year, it is imperative to acknowledge the turbulent journey our financial printing business has traversed. In particular, the transition towards paperless listing has significantly impacted our business. The Stock Exchange expansion of the Paperless Listing Regime, effective from 31 December 2023, mandated that all Hong Kong listed issuers send their corporate communications to shareholders electronically. This shift has led to a reduced demand for printing paper documents by the Hong Kong listed issuers. Meanwhile, the capital market in Hong Kong also presented a myriad of challenges in early part of the Year, characterised by high interest rates and global geo-political tensions. Not until from late September 2024 onwards, the capital market in Hong Kong experienced a remarkable turnaround, supported by the PRC's economic stimulus measures and global interest rates cuts. The Hong Kong benchmark Hang Seng Index rose 18% for the Year, ending a four-year losing streak, while the fund raising from the IPO was HK\$87.5 billion. This was a substantial increase of 89% year-over-year, which placed Hong Kong the fourth globally in IPO fundraising. On the contrary, the number of Hong Kong new listings for the Year was 71 against 73 new listed issuers in 2023, reflecting several major companies dominated the IPO market for the Year. Despite this notable recovery in market activities in the latter part of the Year, our revenue for the Year saw a decline of 14.3% year-over-year to HK\$106.4 million and profit attributable to owners of the Company decreased by 51.6% from the preceding year to HK\$5.7 million for the Year.

Financial Review

Revenue

The Group recorded revenue of approximately HK\$106,360,000 for the Year, representing a decrease of 14.3% year-over-year (2023: approximately HK\$124,041,000). The decrease was mainly due to the transition of paperless listing reduced the demand of printing paper documents by the Hong Kong listed issuers, as well as the IPO activities remained quiet for the first three quarters of the Year. Revenue from printing services decreased by 17.6% year-over-year to approximately HK\$53,510,000 (2023: approximately HK\$64,911,000). Revenue from translation services decreased by 8.9% year-over-year to approximately HK\$43,583,000 (2023: approximately HK\$47,854,000). Revenue from media placement services decreased by 17.8% year-over-year to approximately HK\$9,267,000 (2023: approximately HK\$11,276,000) amid intense competition in the industry. Revenue contributed by non-printing business has been increased by 2.0 percentage points to 49.7% of total revenue for the Year (2023: 47.7%).

Cost of Services

Cost of services of the Group for the Year decreased 17.3% year-over-year to approximately HK\$50,292,000 (2023: approximately HK\$60,795,000). The Group implemented strict cost control measures in response to the decline in revenue, resulting in a corresponding decrease in cost of services. Consequently, the gross profit for the Year decreased 11.3% year-over-year to approximately HK\$56,068,000 (2023: approximately HK\$63,246,000), while gross profit margin improved to 52.7% (2023: 51.0%).

Other Gains and Losses, Net

Due to the lowering of interest income and the unrealised loss on fair value of the financial assets, other gains (net) of the Group for the Year decreased 27.0% year-over-year to approximately HK\$1,326,000 (2023: approximately HK\$1,817,000).

Allowance for Expected Credit Losses in Respect of Trade Receivables, Net

As a result of continuing deterioration in economic conditions, the provision of allowance for expected credit losses in respect of trade receivables (net) of the Group for the Year was approximately HK\$161,000 (2023: reversal of approximately HK\$729,000).

Selling, Distribution and Administrative Expenses

Considering the decrease in revenue, selling, distribution and administrative expenses were all kept under strict control. Total selling, distribution and administrative expenses of the Group for the Year were approximately HK\$48,792,000, representing a decrease of 4.8% year-over-year (2023: HK\$51,273,000).

Finance Costs and Taxation

Finance costs of the Group were approximately HK\$1,662,000 for the Year, increased by 175.6% year-over-year (2023: approximately HK\$603,000), as finance expenses on newly leased premises increased by approximately HK\$1,017,000. During the Year, REF Financial Press Limited, a wholly-owned subsidiary of the Company, has entered into the lease agreements in respect of the lease of office premises. Taxation decreased 49.6% year-over-year to approximately HK\$1,110,000 (2023: approximately HK\$2,202,000) as profits tax decreased in accordance with the decrease in assessable profits.

Profit for the Year and Profitability

Under the challenging operating environment, the net profit of the Group for the Year was approximately HK\$5,669,000, representing a decrease of 51.6% year-over-year (2023: approximately HK\$11,714,000). Net profit margin declined by 4.1 percentage points to 5.3% (2023: 9.4%).

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 31 December 2024,

- (a) the Group's total assets increased to approximately HK\$125,498,000 (2023: approximately HK\$104,225,000) while the total equity increased to approximately HK\$79,733,000 (2023: approximately HK\$72,754,000);
- (b) the Group's current assets decreased to approximately HK\$80,026,000 (2023: approximately HK\$87,030,000) and the current liabilities decreased to approximately HK\$23,455,000 (2023: approximately HK\$30,578,000);
- (c) the Group had approximately HK\$55,298,000 in fixed deposits with original maturity over three months and bank balances and cash available (2023: approximately HK\$54,231,000) and the current ratio of the Group was 3.4 (2023: 2.8);
- (d) the Group did not have any bank borrowings, bank overdrafts and tax loans (2023: Nil); and
- (e) the gearing ratio of the Group was 0.46 (2023: 0.12).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had a total of 115 (2023: 116) full-time employees. The Board believes that hiring, motivating and retaining qualified employees are crucial to the success as a leading financial printer. During the Year, total staff costs (including Directors' emoluments) were approximately HK\$49,815,000 (2023: approximately HK\$51,463,000). The remuneration packages of the Group's employees include basic salary, allowances, medical scheme, retirement scheme contributions, commission, discretionary bonuses and equity-settled share-based payments. 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") on 12 August 2015. On 6 September 2024, 25,600,000 share options were granted to certain participants under the Scheme. As at 31 December 2024, the number of share options outstanding were 25,600,000 (2023: Nil).

OUTLOOK

The financial printing industry is expected to face continued challenges as the Stock Exchange published conclusion on further paperless listing reforms in January 2025, requiring Hong Kong listed issuers to primarily utilise electronic communication with shareholders such as no longer be an option to issue paper application forms for an IPO. This shift is going to foster the sustainable practices of the Hong Kong capital market, however, it is beyond doubt that it will further affect the demand of printing paper documents by the Hong Kong listed issuers. To mitigate these changes, we will strive to enhance our core strengths in branding, networking and servicing to maintain our competitive advantages in the industry, and to enlarge the revenue contribution from our non-printing business. The overall liquidity of the Hong Kong capital market is anticipated to improve under the stimulus economic policies of the PRC. In September 2024, the completion of the largest IPO in the last three years for the Stock Exchange signaled the return of confidence and interests of investors. Besides, the secondary equity market turnover also topped a new record high. Under this back-drop, we are prepared to see an increase in the number of IPOs and capital market transactions in 2025.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and the code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules throughout the Year.

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 Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 (the “**Model Code**”) of the Listing Rules as its own code of conduct for regulating Directors' securities transactions. Having made specific enquiry to each of the Directors, all of them confirmed that they had complied with the required standards as set out in the Model Code throughout the Year.

EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the Year and up to the date of this announcement.

DIVIDENDS

At the Board meeting held on 6 March 2025, the Board resolved not to declare final dividend for the Year (2023: Nil).

On 1 March 2023, the Board declared a final dividend of HK15 cents per share which was paid on 12 May 2023 to shareholders of the Company whose names appear on the register of members of the Company on 26 April 2023, amounting to HK\$38,400,000.

ANNUAL GENERAL MEETING (THE “AGM”)

The forthcoming AGM will be held on Friday, 2 May 2025. 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 Monday, 28 April 2025 to Friday, 2 May 2025, both days inclusive (Hong Kong time), for the purpose of ascertaining 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, for registration no later than 4:00 p.m. on Friday, 25 April 2025 (Hong Kong time).

During the period mentioned above, no transfer of Shares of the Company will be registered.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three members, all being independent non-executive Directors, namely Mr. Leung Chi Hung (chairperson of the Audit Committee), Mr. Lee Hon Man Eric and Mr. Wong Kun Kau. The Audit Committee 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 of the Group 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 Company's external 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 annual results announcement.

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

Hong Kong, 6 March 2025

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