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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 2022

ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) 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 2022 (the “**Year**”) together with the comparative audited figures for the year ended 31 December 2021 (the “**Prior Year**”). 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 2022

	<i>Notes</i>	2022 <i>HK\$’000</i>	2021 <i>HK\$’000</i>
Revenue	4	129,710	135,082
Cost of services		(63,482)	(62,878)
Gross profit		66,228	72,204
Other gains and losses, net		2,723	(5,107)
(Provision)/reversal of allowance for expected credit losses in respect of trade receivables, net		(2,072)	593
Selling and distribution expenses		(14,443)	(13,854)
Administrative expenses		(38,402)	(41,868)
Finance costs		(1,072)	(853)
Profit before taxation	7	12,962	11,115
Taxation	6	(1,800)	(2,487)
Profit and total comprehensive income for the year attributable to owners of the Company		11,162	8,628
Earnings per share			
— Basic and diluted (<i>HK cents</i>)	9	4.36	3.37

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Assets			
Non-current assets			
Plant and equipment		8,896	12,087
Right-of-use assets		24,495	39,924
Goodwill		1,982	1,982
Deposits		5,986	6,616
Deferred tax assets		719	–
		42,078	60,609
Current assets			
Trade receivables	<i>10</i>	25,259	14,440
Prepayments, deposits and other receivables		2,474	2,677
Other current assets		639	1,597
Tax recoverable		30	2,059
Financial assets at fair value through profit or loss		962	1,426
Fixed deposits with original maturity over three months		59,000	–
Bank balances and cash		17,359	127,565
		105,723	149,764
Liabilities			
Current liabilities			
Trade payables	<i>11</i>	2,938	2,602
Accruals and other payables		6,187	8,344
Lease liabilities		19,426	18,513
Contract liabilities		11,441	16,421
Tax payable		496	–
		40,488	45,880
Net current assets		65,235	103,884
Total assets less current liabilities		107,313	164,493
Non-current liabilities			
Lease liabilities		6,032	23,131
Accruals and other payables		1,858	1,858
Deferred tax liabilities		–	43
		7,890	25,032
Net assets		99,423	139,461
Capital and reserves			
Share capital		2,560	2,560
Reserves		96,863	136,901
Total equity attributable to owners of the Company		99,423	139,461

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 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 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 (“**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 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 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 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to HKAS 37	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 Year has had no material impact on the Group’s financial positions and performance for the Year 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:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

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

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or after 1 January 2024.

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Financial printing services recognised at a point in time:		
Printing	81,898	89,033
Translation	35,976	35,794
Media placement	11,836	10,255
	<u>129,710</u>	<u>135,082</u>

5. SEGMENT INFORMATION

During the Year and the Prior Year, 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 Year and the Prior Year.

6. TAXATION

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Current tax:		
— Hong Kong	2,562	1,630
Over provision in the Prior Year:		
— Hong Kong	—	(125)
Deferred tax:		
The Year	<u>(762)</u>	<u>982</u>
	<u>1,800</u>	<u>2,487</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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit before taxation has been arrived at after charging:		
Directors' emoluments	2,065	2,185
Other staff costs:		
— Salaries, bonuses and other benefits	49,390	49,617
— Retirement scheme contributions	1,694	1,806
	<u>51,084</u>	<u>51,423</u>
Total employee benefit expense		
	<u>51,084</u>	<u>51,423</u>
Auditors' remuneration		
— Audit services	688	688
— Non-audit services	34	37
Depreciation of plant and equipment	4,073	3,606
Depreciation of right-of-use assets	19,945	18,552
Expenses related to short-term lease	164	1,635
Bad debt written off	248	711
	<u>248</u>	<u>711</u>

8. DIVIDENDS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Dividends for ordinary shareholders of the Company recognised as distribution during the Year:		
2021 Final — HK20 cents (2021: 2020 final dividend of HK30 cents) per share	51,200	76,800
	<u>51,200</u>	<u>76,800</u>

On 1 March 2023, the Board recommended the payment of a final dividend in respect of the Year of HK15 cents per share (the Prior Year: final dividend in respect of the Prior Year of HK20 cents per share), amounting to HK\$38,400,000 (the Prior Year: HK\$51,200,000). The proposed final dividend will be submitted for consideration at the annual general meeting (the "AGM") to be held on 13 April 2023.

9. EARNINGS PER SHARE

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings:		
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>11,162</u>	<u>8,628</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>4.36</u>	<u>3.37</u>

note:

The calculation of basic earnings per share for the Year and the Prior Year 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 Year and the Prior Year as there were no potential dilutive ordinary shares in issue.

10. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	28,747	15,856
Less: Allowance for expected credit losses	<u>(3,488)</u>	<u>(1,416)</u>
	<u><u>25,259</u></u>	<u><u>14,440</u></u>

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	8,181	6,811
31 to 60 days	4,695	5,259
61 to 90 days	2,158	536
91 to 150 days	7,686	2,038
Over 150 days	<u>6,027</u>	<u>1,212</u>
	<u><u>28,747</u></u>	<u><u>15,856</u></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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade payables	<u>2,938</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:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 60 days	2,802	2,524
61 to 90 days	134	70
91 to 120 days	–	8
Over 120 days	<u>2</u>	<u>–</u>
	<u><u>2,938</u></u>	<u><u>2,602</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

Review

The past twelve months have been turbulent for global and Hong Kong economies. In addition to the fifth wave of Covid-19 pandemic in early 2022, geopolitical tensions and global interest rate hikes sparked by inflationary pressures have posed challenges to Hong Kong. The local stock market benchmark Hang Seng Index plunged to a 13-year low in October 2022, while funds raised from initial public offerings (the “**IPO**”) in 2022 for the city dropped approximately 68% against previous year. Despite such formidable headwinds, the Group was responsive and enhanced its sales initiatives in exploring new customers. Two of the Group’s successful IPO projects during the Year were special purpose acquisition companies (the “**SPAC**”), which is a new listing regime commenced by the Stock Exchange in 2022. Meanwhile, the Group continued to maintain prudent cost control and optimised operating efficiency to enhance its profitability.

During the Year, the Group’s financial performance remained stable. This was attributable to the solid foundation laid over the years. Our revenue was approximately HK\$129,710,000, representing a decrease of about 4.0% from the year ended 31 December 2021 (the “**Prior Year**”). Profit attributable to owners of the Company was approximately HK\$11,162,000, representing an increase of about 29.4% from the Prior Year. Earnings per share for the Year was approximately HK4.36 cents (2021: approximately HK3.37 cents).

Financial Review

Revenue

The Group’s revenue decreased by approximately HK\$5,372,000, or 4.0%, from approximately HK\$135,082,000 for the Prior Year to approximately HK\$129,710,000 for the Year. The decrease was primarily attributable to the existing IPO projects on hand were further delayed.

Gross Profit and Gross Profit Margin

The Group’s gross profit decreased by approximately HK\$5,976,000, or about 8.3%, from approximately HK\$72,204,000 for the Prior Year to approximately HK\$66,228,000 million for the Year, which was mainly due to the decrease in revenue. Our gross profit margin for the Year and the Prior Year were maintained at relative high level of approximately 51.1% and 53.5% respectively.

Other Gains and Losses, Net

The Group's other gains, net were approximately HK\$2,723,000 for the Year whereas it was recorded other losses, net of approximately HK\$5,107,000 for the Prior Year. The change was mainly attributable to the government grants of approximately HK\$2,396,000 received during the Year in relation to the Employment Support Scheme set up by the government of Hong Kong. Meanwhile, the loss on fair value change on financial assets at fair value through profit or loss decreased from approximately HK\$3,059,000 for the Prior Year to approximately HK\$681,000 for the Year.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$589,000, or 4.3%, from approximately HK\$13,854,000 for the Prior Year to approximately HK\$14,443,000 for the Year. The increase was due to the resumption of sales and marketing activities after the relaxation of social distancing policies in the second half of the Year.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$3,466,000, or 8.3%, from approximately HK\$41,868,000 for the Prior Year to approximately HK\$38,402,000 for the Year. The Group had implemented strict controls on administrative expenses, as well as the absence of one-off relocation expenses during the Year.

Finance Costs

Finance costs increased by approximately HK\$219,000, or 25.7%, from approximately HK\$853,000 for the Prior Year to approximately HK\$1,072,000 for the Year. The increase was primarily due to the full-year finance expenses on the leased premises for the Year whereas half-year was recorded in the Prior Year.

Taxation

Taxation decreased by approximately HK\$687,000, or 27.6%, from approximately HK\$2,487,000 for the Prior Year to approximately HK\$1,800,000 for the Year. The decrease was mainly attributable to the increase in deferred tax assets for the Year.

Profit for the Year and Profitability

Supported by the Group's stringent cost control and the government grants, the profit for the Year increased by approximately HK\$2,534,000, or about 29.4%, from approximately HK\$8,628,000 for the Prior Year to approximately HK\$11,162,000 for the Year. The Group's gross profit margin for the Year decreased by 2.4pp to 51.1% while net profit margin for the Year increased by 2.2pp to 8.6%.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 31 December 2022,

- (a) the Group's total assets decreased to approximately HK\$147,801,000 (2021: approximately HK\$210,373,000) while the total equity decreased to approximately HK\$99,423,000 (2021: approximately HK\$139,461,000);
- (b) the Group's current assets decreased to approximately HK\$105,723,000 (2021: approximately HK\$149,764,000) and the current liabilities decreased to approximately HK\$40,488,000 (2021: approximately HK\$45,880,000);
- (c) the Group had approximately HK\$76,359,000 in fixed deposits with original maturity over three months and bank balances and cash available (2021: approximately HK\$127,565,000) and the current ratio of the Group was approximately 2.6 (2021: approximately 3.3);
- (d) the Group did not have any bank borrowings, bank overdrafts and tax loans (2021: Nil); and
- (e) the gearing ratio of the Group was approximately 0.26 (2021: approximately 0.30).

CAPITAL EXPENDITURE

The capital expenditure during the Year was related to expenditures on additions of plant and equipment amounting to approximately HK\$1,005,000 (the Prior Year: approximately HK\$13,510,000). Capital expenditure for the Prior Year was significantly higher amid enhancement of office premises in May 2021.

CAPITAL COMMITMENT

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

SIGNIFICANT INVESTMENTS

As at 31 December 2022, the Group maintained a portfolio of equity investments with total carrying amount of approximately HK\$962,000 (2021: approximately HK\$1,426,000). The portfolio of equity investments as at 31 December 2022 are set out as follows:

	Investment cost as at 31 December 2022 <i>HK\$'000</i>	Percentage of fair value of the investment in listed securities/ total assets of the Group as at 31 December 2022	Unrealised loss on fair value for the Year <i>HK\$'000</i>	Accumulated unrealised loss on fair value up to 31 December 2021 <i>HK\$'000</i>	Fair value of the investment in listed securities as at 31 December 2022 <i>HK\$'000</i>
Financial assets at fair value through profit or loss	10,774	0.7%	(681)	(9,131)	962

The Group held less than 0.13% of shareholding in each of the listed securities in the above equity investments portfolio.

Save as disclosed above, the Group did not have any significant investments as at 31 December 2022.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any material contingent liabilities or guarantees (2021: Nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2022, the Group had 109 (2021: 122) 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\$53,149,000 (2021: approximately HK\$53,608,000). 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 2022 (2021: Nil).

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 31 December 2022, the Group had no borrowings or charges on the Group's assets (2021: 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 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 governments of China and Hong Kong have uplifted most of the social distancing restrictions and cross-border business activities are expected to be resumed normal and it is crucial for reviving Hong Kong's capital markets. Under this backdrop and a strong IPO pipeline, the Hong Kong's IPO activity should grow steadily in 2023.

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 (the “**CG Code**”) as set out in Appendix 14 of 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 Year.

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 2022 and up to the date of this announcement.

DIVIDENDS

On 1 March 2023, the Board recommended the payment of a final dividend in respect of the Year of HK15 cents per share (the Prior Year: final dividend in respect of the Prior Year of HK20 cents per share), amounting to HK\$38,400,000 (the Prior Year: HK\$51,200,000). The proposed final dividend will be submitted for consideration at the AGM to be held on Thursday, 13 April 2023.

AGM

The forthcoming AGM will be held on Thursday, 13 April 2023. 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 Thursday, 6 April 2023 to Thursday, 13 April 2023, 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 Tuesday, 4 April 2023 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, 20 April 2023 to Wednesday, 26 April 2023, 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, 26 April 2023. In order to qualify for the proposed final dividend payable on or before Friday, 12 May 2023, 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, 19 April 2023.

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 (chairperson 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, 1 March 2023

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. Leung Chi Hung, Mr. Wong Kun Kau and Mr. Lee Hon Man Eric as independent non-executive Directors.