

REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8177)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors of REF Holdings Limited (the “Company” and the “Directors”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “Group”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

ANNUAL RESULTS

The board of Directors (the “Board”) is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2016 together with the comparative audited figures for the year ended 31 December 2015. 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 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Revenue	5	178,095	142,355
Cost of services		(82,564)	(67,777)
Gross profit		95,531	74,578
Other income		103	287
Selling and distribution expenses		(14,233)	(11,560)
Administrative expenses		(26,403)	(27,633)
Finance costs		(10)	(24)
Profit before taxation		54,988	35,648
Taxation	7	(9,369)	(6,976)
Profit for the year	8	45,619	28,672
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		45,619	28,672
Profit and total comprehensive income for the year attributable to owners of the Company		45,619	28,672
Earnings per share			
— Basic and diluted (HK cents)	10	17.82	13.71

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	<i>Notes</i>	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Assets			
Non-current assets			
Plant and equipment		468	290
Deferred tax assets		237	288
		<u>705</u>	<u>578</u>
Current assets			
Work in progress		2,397	1,331
Trade receivables	<i>11</i>	30,992	23,419
Prepayments, deposits and other receivables		6,663	4,672
Bank balances and cash		111,311	69,183
		<u>151,363</u>	<u>98,605</u>
Current liabilities			
Trade payables	<i>12</i>	7,560	8,749
Accruals and other payables		13,173	14,174
Deposits received		23,197	15,190
Tax payables		2,231	782
		<u>46,161</u>	<u>38,895</u>
Net current assets		<u>105,202</u>	<u>59,710</u>
Total assets less current liabilities		<u>105,907</u>	<u>60,288</u>
Net assets		<u>105,907</u>	<u>60,288</u>
Capital and reserves			
Share capital		2,560	2,560
Reserves		103,347	57,728
Total equity attributable to owners of the Company		<u>105,907</u>	<u>60,288</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2016

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 February 2014 as an exempted company with limited liabilities under the Companies Law (2011 Revision) (as consolidated and revised) of the Cayman Islands. Its parent and ultimate parent is Jumbo Ace Enterprises Limited, a company incorporated in the British Virgin Islands. 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. Its shares were initially listed on GEM of the Stock Exchange on 25 September 2015.

The Company’s registered office address is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and the address of its headquarter, head office and principal place of business in Hong Kong is 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of financial printing services. 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. REORGANISATION

Pursuant to the reorganisation (the “Reorganisation”) as fully explained in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” of the prospectus of the Company dated 17 September 2015, the Company became the holding company of the companies now comprising the Group on 17 August 2015. The companies now comprising the Group were under the common control of Mr. Lau before and after the Reorganisation. Accordingly, the consolidated financial statements have been prepared on the basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the reporting period.

The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows include the results and cash flows of the companies now comprising the Group have been prepared as if the current group structure upon completion of the Reorganisation had been in existence throughout the reporting period or since their respective date of incorporation, where there is a shorter period.

All intra-group transactions and balances have been eliminated.

3. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), and accounting principles generally accepted in Hong Kong. In addition, the consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules and the Hong Kong Companies Ordinance.

4. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on or after 1 January 2016.

HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisition of Interests in Joint Operation
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements

The application of the above new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and position for the current and prior years and on the disclosures set out in these consolidated financial statements.

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

HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ²
HKFRS 4 (Amendments)	Insurance Contracts ²
HKFRS 9	Financial Instruments ²
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 Revenue from Contracts with Customers ²
HKFRS 16	Leases ³
HKAS 7 (Amendments)	Disclosure Initiative ¹
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses ¹

¹ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

⁴ Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group’s financial performance and position.

5. REVENUE

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Financial printing services:		
Printing	120,192	92,347
Translation	44,626	36,324
Media placement	13,277	13,684
	<u>178,095</u>	<u>142,355</u>

6. SEGMENT INFORMATION

During the years ended 31 December 2016 and 2015, the Group operates in one operating segment which is 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 2016 and 2015.

7. TAXATION

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current tax		
— Hong Kong	9,337	7,106
Over provision in prior year		
— Hong Kong	(19)	(20)
Deferred tax:		
Current year	<u>51</u>	<u>(110)</u>
	<u>9,369</u>	<u>6,976</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the years ended 31 December 2016 and 2015.

At 31 December 2016, the Group has unused tax losses of approximately HK\$1,881,000 (2015: HK\$60,000) available for offset against the assessable profit for each particular year.

8. PROFIT FOR THE YEAR

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Profit for the year has been arrived at after charging:		
Directors' emoluments	6,709	4,387
Other staff costs:		
Salaries and other benefits	26,511	21,869
Discretionary bonuses	11,360	8,643
Retirement scheme contributions	1,100	926
	<u>38,971</u>	<u>31,438</u>
Total employee benefit expense		
	<u>38,971</u>	<u>31,438</u>
Auditors' remuneration		
— Audit services:		
Annual audit services	600	500
Listing services (included in listing expenses)	—	1,260
— Non-audit services	—	115
Depreciation of plant and equipment	149	942
Operating lease rental expenses in respect of rented premises	9,118	8,946
Listing expenses	—	6,399
	<u> </u>	<u> </u>

9. DIVIDENDS

The Directors do not propose the payment of any final dividend for the year ended 31 December 2016 (2015: Nil).

For the year ended 31 December 2015, a subsidiary of the Company had declared and paid a special dividend amounting to HK\$23 million to its shareholder.

10. EARNINGS PER SHARE

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Earnings:		
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	<u>45,619</u>	<u>28,672</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>209,184</u>
Basic earnings per share (<i>HK cents</i>)	<u>17.82</u>	<u>13.71</u>

Note:

The calculation of basic earnings per share for the years ended 31 December 2016 and 2015 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.

For the year ended 31 December 2015, the weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted for the effect of placing completed on 25 September 2015.

Diluted earnings per share is the same as the basic earnings per share for the years ended 31 December 2016 and 2015 as there was no potential dilutive ordinary shares in issue.

11. TRADE RECEIVABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade receivables	<u>30,992</u>	<u>23,419</u>

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

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current — neither past due nor impaired	15,554	16,053
Under 31 days past due	8,662	3,732
31–60 days past due	1,805	2,725
61–120 days past due	4,879	608
121–150 days past due	90	58
Over 150 days past due	2	243
	<u>30,992</u>	<u>23,419</u>

The Group generally allows a credit period of 30 days to its customers. Receivables that were neither past due nor impaired related to customers for whom there was no default. Receivables that were past due but not impaired related to customers that have good creditworthiness. Based on past experience, the management considered that no impairment is necessary as there has not been a significant change in the credit quality of these balances, which are still considered fully recoverable.

The Group does not hold any collateral over the balances.

12. TRADE PAYABLES

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Trade payables	<u>7,560</u>	<u>8,749</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 date at the end of the reporting period:

	2016 <i>HK\$'000</i>	2015 <i>HK\$'000</i>
Current — up to 60 days	7,136	8,749
Under 31 days past due	<u>424</u>	<u>—</u>
	<u>7,560</u>	<u>8,749</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

During 2016, our business was growing steadily based on the continued growth in the number of listed companies and the growth of the Hong Kong stock market in general which has brought an increase in the demand for, among others, prospectuses, company announcements, shareholder circulars, results announcements and financial reports.

Being one of the quality financial printers serving the financial sector in Hong Kong, we, with the rich industry experience and expertise of our Directors and management, managed the Group's operations in a proficient and effective manner in 2016.

For the year ended 31 December 2016 (the "Year"), the Group's turnover increased by approximately 25.1% as compared to that of the year ended 31 December 2015 (the "Year 2015"). The profit attributable to owners of the Company for the Year was approximately HK\$45.6 million (2015: approximately HK\$28.7 million), representing an increase of about 58.9% as compared to last year. Basic earnings per share for the Year was approximately HK cents 17.82 (2015: approximately HK cents 13.71).

Financial Review

Revenue

The Group's revenue increased by approximately HK\$35.7 million, or 25.1%, from approximately HK\$142.4 million for the Year 2015 to approximately HK\$178.1 million for the Year. The increase was primarily attributable to the increases in revenue from (i) printing activity, amounting to approximately HK\$27.8 million, and (ii) translation activity, amounting to approximately HK\$8.3 million.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$20.9 million, or 28.0%, from approximately HK\$74.6 million for the Year 2015 to approximately HK\$95.5 million for the Year, which was due to an increase in revenue. Our gross profit margins for the Year and the Year 2015 were approximately 53.6% and 52.4% respectively which had been maintained at a stable level.

Selling and Distribution Expenses

The Group's selling and distribution expenses increased by approximately HK\$2.6 million, or 22.4%, from approximately HK\$11.6 million for the Year 2015 to approximately HK\$14.2 million for the Year. The increase was mainly due to the increases in commission payment and bonus provision, which was in line with the increase in revenue.

Administrative Expenses

The Group's administrative expenses decreased by approximately HK\$1.2 million, or 4.3%, from approximately HK\$27.6 million for the Year 2015 to approximately HK\$26.4 million for the Year. The decrease was mainly due to the non-incurrence of the one-off payment of the substantial expenses in connection with the listing of the Company's shares on GEM of the Stock Exchange on 25 September 2015 (the "Listing") during the Year 2015 despite the increases of (i) cost for acquiring software; (ii) professional and other costs in relation to the compliance with the GEM Listing Rules and other regulations applicable to the Group for maintaining the Listing status; and (iii) staff cost (including remuneration of the Directors) for the Year.

Taxation

Profits tax expense increased by approximately HK\$2.2 million, or 31.0%, from approximately HK\$7.1 million for the Year 2015 to approximately HK\$9.3 million for the Year. The increase was primarily attributable to the increase in profit before taxation.

Deferred tax decreased by approximately HK\$0.2 million, or two times, from deferred tax asset of approximately HK\$0.1 million for the Year 2015 to deferred tax liability of approximately HK\$0.1 million for the Year. The decrease was primarily attributable to the decrease in accelerated depreciation allowance.

Profit for the Year and Net Profit Margin

Profit for the year increased by approximately HK\$16.9 million, or 58.9%, from approximately HK\$28.7 million for the Year 2015 to approximately HK\$45.6 million for the Year. The increase was primarily attributable to the increase in revenue. The net profit margins for the Year and the Year 2015 were approximately 25.6% and 20.1% respectively.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING

As at 31 December 2016,

- (a) the Group's total assets increased to approximately HK\$152.1 million (2015: approximately HK\$99.2 million) while the total equity increased to approximately HK\$105.9 million (2015: approximately HK\$60.3 million);
- (b) the Group's current assets increased to approximately HK\$151.4 million (2015: approximately HK\$98.6 million) while the current liabilities increased to approximately HK\$46.2 million (2015: approximately HK\$38.9 million);
- (c) the Group had approximately HK\$111.3 million in bank balances and cash available and the current ratio of the Group was approximately 3.3 (2015: approximately 2.5);
- (d) the Group did not have any bank borrowings, bank overdrafts, tax loans and finance lease liabilities (2015: nil); and

- (e) the gearing ratio (being the total of finance lease, tax loans and interest-bearing borrowings divided by total equity attributable to the owners of the Company) was not applicable to the Group (2015: not applicable).

OUTLOOK

Looking ahead to 2017, the Group remains cautiously optimistic about its business prospects. Certain unfavourable factors such as fluctuation of the global financial market and intensifying competition in the industry may exert pressure on the Group's business. Meanwhile, the joint consultation paper in relation to listing regulation issued by the Securities and Futures Commission of Hong Kong and the Stock Exchange may have an impact on the timing of the IPO vetting process, and in turn on the Group's operation. Nevertheless, the Group had commenced renovation works for setting up more conference rooms so as to suit the needs of the growing number of our customers.

Meanwhile, we continue to provide a wide range of financial printing services to meet our customers' demands and requirements. In addition, we shall further enhance our multiple points of quality control and inspection throughout our production process to ensure the quality of our financial printing services. We believe that our one-stop service model will provide a comprehensive range of convenient and quality services to our customers, attract potential customers and enable us to react to the changing needs of our customers efficiently.

To further enhance our competitive edge, we have incurred additional costs for improving and acquiring office facilities, equipment and software for our existing working environment and strengthening our design capabilities. With these measures in place, we are able to react to the changing needs of our customers more efficiently and effectively.

We are optimistic towards our core business and shall continue to capture market opportunities so as to achieve a sustainable business growth and long-term benefits of our shareholders.

Lastly, to meet the financial needs of the Group in relation to its future business developments, whenever appropriate, and to seize any business opportunities that may arise for the forthcoming period, the Board does not recommend the payment of a final dividend for the Year so as to preserve sufficient funds for the Group to serve all those purposes in the future.

CAPITAL EXPENDITURE

The capital expenditure during the Year was primarily related to expenditures on additions of office equipment, and furniture and fixtures, amounting to approximately HK\$0.2 million and HK\$0.1 million, respectively to cope with our operation needs (2015: approximately in a total of HK\$0.1 million). As at 31 December 2016, the outstanding capital commitments of the Group amounted to approximately HK\$1.2 million (2015: nil).

SIGNIFICANT INVESTMENTS

As at 31 December 2016, the Group did not hold any significant investments (2015: nil).

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any significant contingent liabilities (2015: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had 90 full-time employees (2015: 79) in Hong Kong. We believe that hiring, motivating and retaining qualified employees are crucial to our success as a reliable financial printer. Total staff costs (including Directors' emoluments) were approximately HK\$45.7 million (2015: approximately HK\$35.8 million). The remuneration packages of the Group's employees include basic salary, allowances, insurance, medical schemes, mandatory provident fund scheme, commission and bonuses. The remuneration policies of the Group, including promotion, bonus, salary increment and other benefits, are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as 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 dedication and hard work of the Group's staff during the Year are generally appreciated and recognised.

In addition, the Group 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 2016 (2015: nil).

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 31 December 2016, the Group had no borrowings or charges on the Group's assets (2015: nil).

MATERIAL ACQUISITION OR DISPOSAL OF SUBSIDIARIES

During the Year, there was no material acquisition or disposal of subsidiaries 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 and customers rarely request to settle our billing by other foreign currencies such as United States dollars ("USD").

The Group's assets, liabilities and transactions are mainly denominated in Hong Kong dollars. Only a little portion of the Group's deposits with bank are denominated in USD which is freely convertible into Hong Kong dollars. The Directors are 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 Group 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.

CORPORATE GOVERNANCE PRACTICES

The Board is satisfied that the Company has complied with all applicable code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 15 to the GEM Listing Rules during the Year, save as disclosed as follows:

Code provision E.1.2 of the CG Code requires that the chairmen of the audit committee (the “Audit Committee”), the remuneration committee, the nomination committee (the “Nomination Committee”) and any other Board committees of the Company to attend the annual general meetings of the Company (the “AGM”). Mr. Wong Kun Kau, the chairman of the Nomination Committee, was unable to attend the AGM held on 24 May 2016 as he had a business engagement.

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, the Company did not redeem its listed securities, nor did the Company or any of its subsidiaries purchase or sell any of such listed securities.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in the securities (the “Required Standard of Dealings”) as contained in Rules 5.46 to 5.67 of the GEM Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on the Directors, all of the Directors confirmed that they had complied with the Required Standard of Dealings during the Year.

USE OF NET PROCEEDS FROM THE COMPANY'S PLACING OF NEW SHARES

The net proceeds from the placing of new shares of the Company completed on 25 September 2015 (the "Placing") were approximately HK\$31.4 million, after deducting the Listing related expenses. As at 31 December 2016, all of the unused proceeds were deposited in a licensed bank in Hong Kong. During the Year, a portion of the net proceeds from the Placing were utilised and the corresponding explanations are set out in the table below:

Proposed use of proceeds	Proposed amount to be used and time frame	Amount used as of 31 December 2016	Amount committed/ estimated to be used for the next 12 months	Changes and explanations
Enhance competitiveness through expansion of workforce, improving and acquiring office facilities, equipment and software	HK\$9.1 million (extend from before 30 June 2017 to 30 June 2018)	HK\$1.0 million has been used to purchase office facilities, equipment and software and HK\$2.0 million has been used to expand workforce	HK\$1.3 million will be used to purchase office facilities, equipment and software and HK\$3.7 million will be used to expand workforce	Utilised as intended
Strengthen design capabilities	HK\$2.1 million (extend from before 30 June 2017 to 30 June 2018)	HK\$0.5 million has been used to employ additional design personnel and HK\$0.1 million has been used to purchase various equipment and software to improve the design efficiency	HK\$0.5 million will be used to employ additional design personnel and HK\$0.1 million will be used to purchase various equipment and software to improve the design efficiency	Utilised as intended
Set up an in-house translation team	HK\$18.5 million (extend from before 30 June 2017 to 30 June 2018)	The set up project has been delayed as the Group needs more time to evaluate the market conditions	HK\$2.2 million for setting up a new office for the in-house translation team; and HK\$7.8 million as operating expenses for the new office and the newly recruited translation personnel	Will be utilised as intended

EVENTS AFTER THE BALANCE SHEET DATE

As from 31 December 2016 to the date of this announcement, no significant events have occurred.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the Year (2015: nil).

AGM

The forthcoming AGM will be held on Tuesday, 21 March 2017. A notice convening the AGM will be published in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 17 March 2017 to Tuesday, 21 March 2017, both days inclusive, during which period no transfer of Shares will be registered. For determining the entitlement of members of the Company to attend and vote at the AGM, all share 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, no later than 4:00 p.m. on Thursday, 16 March 2017 for registration.

AUDIT COMMITTEE

The Company had established the Audit Committee on 12 August 2015 with written terms of reference, which was further amended on 7 December 2016, in compliance with the GEM Listing Rules. 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. Lum Chor Wah Richard. 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 audited consolidated financial statements of the Group for the Year.

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

Hong Kong, 8 February 2017

As at the date of this announcement, the executive Directors are Ms. Chiu Hok Yu and 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. Lum Chor Wah Richard.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company's website at www.ref.com.hk.