

REF Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8177

2016

Third Quarterly Report

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

The Growth Enterprise Market (the “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 of Hong Kong Limited (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 the GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on the GEM, there is a risk that securities traded on the 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 the GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this quarterly report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this quarterly report.

This quarterly report, 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 the GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this quarterly report 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 quarterly report misleading.

Condensed Consolidated Financial Statements

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the nine months ended 30 September 2016 together with the unaudited comparative figures for the corresponding periods in 2015, as follows:

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the nine months ended 30 September 2016

	Notes	Nine months ended 30 September		Three months ended 30 September	
		2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Revenue	3	142,449	101,510	47,846	35,084
Cost of services		(66,452)	(49,298)	(22,149)	(16,138)
Gross profit		75,997	52,212	25,697	18,946
Other income		103	265	96	221
Selling and distribution expenses		(10,752)	(8,214)	(4,320)	(3,137)
Administrative expenses		(20,174)	(14,735)	(7,137)	(5,438)
Listing expenses		–	(6,399)	–	(6,399)
Finance costs	4	(8)	(6)	(3)	(2)
Profit before taxation	5	45,166	23,123	14,333	4,191
Taxation	6	(7,682)	(4,892)	(2,443)	(1,766)
Profit for the period		37,484	18,231	11,890	2,425
Profit and total comprehensive income for the period attributable to owners of the Company		37,484	18,231	11,890	2,425
Earnings per share					
Basic and diluted (HK cents)	8	14.64	9.41	4.64	1.23

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2016

	Attributable to owners of the Company			Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Retained earnings HK\$'000	
At 1 January 2016 (audited)	2,560	41,233	16,495	60,288
Profit and total comprehensive income for the period	–	–	37,484	37,484
At 30 September 2016 (unaudited)	2,560	41,233	53,979	97,772
At 1 January 2015 (audited)	–	–	10,823	10,823
Profit and total comprehensive income for the period	–	–	18,231	18,231
Capitalisation Issue (note (i))	1,920	(1,920)	–	–
Issuance of new shares by way of placing (note (ii))	640	47,360	–	48,000
Transaction costs attributable to issue of new shares	–	(4,207)	–	(4,207)
Dividend paid (note 7)	–	–	(23,000)	(23,000)
At 30 September 2015 (unaudited)	2,560	41,233	6,054	49,847

Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2016

Notes:

- (i) Pursuant to the written resolutions of the sole shareholder passed on 12 August 2015, conditional upon the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the allotment and issue of the placing shares by the Company pursuant to the placing, the Directors were authorised to capitalise the amount of HK\$1,919,999 from the amount standing to the credit of the share premium account of the Company and to appropriate such amount as to pay up in full at par 191,999,900 shares for allotment and issue to the persons whose names appeared on the register of members of the Company at the close of business on 10 September 2015 (or as each of them may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their respective shareholdings in the Company, and the Shares to be allotted and issued shall rank *pari passu* in all respects with the then existing issued Shares.

- (ii) On 25 September 2015, the Company placed 64,000,000 new shares at HK\$0.75 per share for a total gross proceeds of HK\$48,000,000. The proceeds were proposed to be used to finance the implementation plan as set forth in the section headed “Future Plans and Use of Proceeds” of the prospectus of the Company dated 17 September 2015 (the “**Prospectus**”).

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 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. The Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap 622 of the laws of Hong Kong) on 12 March 2014. Its shares were 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., Nexus Building, 77 Des Voeux Road Central, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the provision of financial printing services.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is the functional currency of the Company and its subsidiaries.

Pursuant to a reorganisation (the “**Reorganisation**”) of the Company and its subsidiaries now comprising the Group in preparation for the listing of the shares of the Company on the GEM of the Stock Exchange, the Company became the holding company of the Group. Details of the Reorganisation are set out in the Prospectus.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2016 have been prepared in accordance with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2016

2. BASIS OF PREPARATION *(Continued)*

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the unaudited condensed consolidated statements of profit or loss and other comprehensive income for the three months and nine months ended 30 September 2016 and 2015, respectively and unaudited condensed consolidated statement of changes in equity for the nine months ended 30 September 2016 and 2015, respectively have been prepared on the basis as if the Company had always been holding company of the companies now comprising the Group throughout the period. The unaudited condensed consolidated financial statements have been prepared using the principles of merger accounting in accordance with Accounting Guideline 5 “Merger accounting under common control combination” issued by the HKICPA as if the group structure under the Reorganisation had been in existence throughout the abovementioned periods or since their respective dates of incorporation/establishment of the entities now comprising the Group, whichever is the shorter period.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in preparing the audited financial statements for the year ended 31 December 2015.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Company. The adoption of these new and revised HKFRSs has no material effect on the unaudited condensed consolidated financial statements, and there have otherwise been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements.

In addition, the Company has adopted the amendments to the GEM Listing Rules issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap.622) during the reporting period. The main impact on the unaudited condensed consolidated financial statements is the presentation and disclosure of certain information in the unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2016

2. BASIS OF PREPARATION *(Continued)*

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The condensed consolidated financial statements have not been audited by the Company's auditors, but have been reviewed by the audit committee (the "Audit Committee") of the Company.

3. REVENUE

Revenue represents the fair value of amounts received and receivable for financial printing services provided by the Group to outside customers, less discount during the relevant periods.

The following is an analysis of the Group's revenue for the nine months ended 30 September 2016 together with the unaudited comparative figures for the corresponding periods in 2015:

	Nine months ended 30 September 2016		Three months ended 30 September 2016	
	HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)
Financial printing services:				
Printing	96,297	66,388	32,230	21,513
Translation	35,260	25,303	12,117	10,226
Media placement	10,892	9,819	3,499	3,345
	142,449	101,510	47,846	35,084

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2016

4. FINANCE COSTS

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Bank charges	8	6	3	2

5. PROFIT BEFORE TAXATION

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging:				
Directors' emoluments	5,247	2,839	1,956	1,226
Other staff costs:				
Salaries and other benefits	20,053	16,155	6,522	5,481
Bonuses	9,564	5,173	3,937	2,639
Retirement scheme contributions	796	695	263	223
Total employee benefit expense	35,660	22,023	12,678	8,343
Impairment loss of trade receivables	–	3	–	–
Depreciation of plant and equipment	125	705	18	236
Operating lease rental expenses in respect of rented premises	6,709	6,709	2,236	2,236
Listing expenses	–	6,399	–	6,399

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2016

6. TAXATION

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax — Hong Kong				
Profits tax				
Provision for the period	7,671	4,980	2,438	1,823
Deferred tax	11	(88)	5	(57)
	7,682	4,892	2,443	1,766

Hong Kong Profits Tax is calculated at domestic income tax rate of 16.5% of the estimated assessable profit for the relevant period.

Deferred tax assets are measured at the tax rate of 16.5% that are expected to apply in the relevant period in which the liability is settled or the asset realised.

The Company is an exempted company incorporated in the Cayman Islands. As such, there are no taxes on individuals or corporations based upon profits, income, gains or appreciations and there are no other taxes likely to be material to the Company levied by the government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments.

7. DIVIDENDS

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Dividends	–	23,000	–	23,000

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2016

7. DIVIDENDS *(Continued)*

On 14 August 2015, a subsidiary of the Company had declared a special dividend of HK\$23.0 million to its then shareholder, and such dividend was settled in cash from internal resources. The rate of dividends and the number of shares ranking for dividends are not presented as such information is not meaningful having regard to the purpose of this quarterly report.

The Board does not declare the payment of dividend for the nine months ended 30 September 2016 (for the nine months ended 30 September 2015: nil).

8. EARNINGS PER SHARE

	Nine months ended 30 September		Three months ended 30 September	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings:				
Profit attributable to owners of the Company for the purpose of calculating basic earnings per share	37,484	18,231	11,890	2,425
	'000	'000	'000	'000
Number of shares:				
Weighted average number of ordinary shares in issue for the purpose of calculating basic earnings per share	256,000	193,641	256,000	196,870
Basic earnings per share (HK cents)	14.64	9.41	4.64	1.23

Notes to the Condensed Consolidated Financial Statements

For the nine months ended 30 September 2016

8. EARNINGS PER SHARE *(Continued)*

The calculation of basic earnings per share for the three months and nine months ended 30 September 2016 and 2015 is based on the profit attributable to owners of the Company for the periods and the weighted average number of shares for the relevant periods.

Diluted earnings per share is the same as the basic earnings per share for the three months and nine months ended 30 September 2016 and 2015 as there was no potential dilutive ordinary shares in issue.

9. EVENTS AFTER REPORTING PERIOD

The Group had no significant events after the end of the reporting period of this quarterly report.

Management Discussion and Analysis

BUSINESS REVIEW AND OUTLOOK

The Group aims to offer one-stop financial printing services that can meet customers' expectations and provide them with a unique and perfect experience. The Group provides ancillary services such as provision of conference room facilities and financial printing services for the financial sector in Hong Kong. The Group offers a wide range of convenient and quality financial printing services, from typesetting, proofreading, translation, design, printing, web submitting, newspaper placement to distribution. The core financial printing services of the Group cover printing of listing documents, financial reports, compliance documents and other documents. The services of the Group can be broadly categorised into three types, namely printing, translation and media placements. Most of the Group's customers are listed on the Stock Exchange and/or other stock exchanges.

Looking ahead, the Group will further enhance its competitive edge by, (i) expansion of workforce; (ii) improving and acquiring office facilities, equipment and software; and (iii) strengthening its design capabilities so as to react to the changing needs of our customers more efficiently and effectively. The Group will strategically expand and strengthen its presence in the financial sector in Hong Kong; continue to enhance multiple points of quality control and inspection throughout production process and creative design proposals in terms of quality and variety; and increase its professional expertise.

The Group continues to be cautiously optimistic about the future of the financial printing industry in Hong Kong. In particular, we have noticed that more and more enterprises in Mainland China are planning to list their securities on the Stock Exchange and hence, our Group considers that more financial printing services will be demanded by our existing and/or potential customers. The Group shall continue to capture market opportunities so as to achieve a sustainable business growth for our shareholders (the "**Shareholders**").

FINANCIAL REVIEW

REVENUE

The Group's revenue increased by approximately HK\$40.9 million, or 40.3%, from approximately HK\$101.5 million for the nine months ended 30 September 2015 to approximately HK\$142.4 million for the nine months ended 30 September 2016. The increase was primarily attributable to the increase in printing activity, translation activity and media placement services.

Management Discussion and Analysis

FINANCIAL REVIEW *(Continued)*

COST OF SERVICES

The Group's cost of services increased by approximately HK\$17.2 million, or 34.9%, from approximately HK\$49.3 million for the nine months ended 30 September 2015 to approximately HK\$66.5 million for the nine months ended 30 September 2016. The increase was mainly due to (i) an increase in printing costs and translation costs, amounting to approximately HK\$9.1 million in total, which was in line with the increase in revenue generated from printing activity and translation activity; and (ii) an increase in staff cost, which amounted to approximately HK\$4.6 million in total caused by (a) an increase in number of staff; (b) the annual/regular salary revision for the staff; and (c) an increase in bonus provision which was in line with the increase in profits for the reporting period.

OTHER INCOME

Other income decreased by approximately HK\$0.2 million, or 66.7%, from approximately HK\$0.3 million for the nine months ended 30 September 2015 to approximately HK\$0.1 million for the nine months ended 30 September 2016. The decrease was primarily due to less sundry income.

SELLING AND DISTRIBUTION EXPENSES

The Group's selling and distribution expenses increased by approximately HK\$2.6 million, or 31.7%, from approximately HK\$8.2 million for the nine months ended 30 September 2015 to approximately HK\$10.8 million for the nine months ended 30 September 2016. The increase was mainly due to increases in commission payment and bonus provision, which was in line with the increase in revenue.

ADMINISTRATIVE EXPENSES

The Group's administrative expenses increased by approximately HK\$5.5 million, or 37.4%, from approximately HK\$14.7 million for the nine months ended 30 September 2015 to approximately HK\$20.2 million for the nine months ended 30 September 2016. The increase was mainly due to (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 Directors), which was in line with the increase in profits for the reporting period and in line with prevailing market conditions.

Management Discussion and Analysis

FINANCIAL REVIEW *(Continued)*

DEPRECIATION OF PLANT AND EQUIPMENT

Depreciation expenses decreased by approximately HK\$0.6 million, or 85.7%, from approximately HK\$0.7 million for the nine months ended 30 September 2015 to approximately HK\$0.1 million for the nine months ended 30 September 2016. The decrease was primarily due to the fact that most fixed assets were fully depreciated.

FINANCE COSTS

Finance costs increased by approximately HK\$2,000, or 33.3%, from approximately HK\$6,000 for the nine months ended 30 September 2015 to approximately HK\$8,000 for the nine months ended 30 September 2016. The increase was primarily attributable to the increase in bank charges for the remittance or bank transfer from the Group's customers.

TAX EXPENSES

Profits tax expense increased by approximately HK\$2.7 million, or 54.0%, from approximately HK\$5.0 million for the nine months ended 30 September 2015 to approximately HK\$7.7 million for the nine months ended 30 September 2016. The increase was primarily attributable to the increase in profit before taxation.

Deferred tax decreased by approximately HK\$0.1 million, or 100.0%, from deferred tax asset of approximately HK\$88,000 for the nine months ended 30 September 2015 to deferred tax liability of approximately HK\$11,000 for the nine months ended 30 September 2016. The decrease was primarily attributable to the decrease in accelerated depreciation allowance.

PROFIT FOR THE PERIOD

The profit for the nine months ended 30 September 2016 was approximately HK\$37.5 million, representing an increase of approximately HK\$19.3 million, or 106.0% as compared with approximately HK\$18.2 million for the nine months ended 30 September 2015. The increase was primarily attributable to the increase in revenue.

Management Discussion and Analysis

SHARE CAPITAL

As at 30 September 2016, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 shares of par value of HK\$0.01 each (the “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 comprises of ordinary Shares. There was no change in the share capital of the Company during the period.

SIGNIFICANT INVESTMENTS

As at 30 September 2016 and 2015, the Group did not hold any significant investments.

CHARGE ON THE GROUP'S ASSETS

As at 30 September 2016 and 2015, the Group had no charges on the Group's assets.

CONTINGENT LIABILITIES

As at 30 September 2016 and 2015, the Group did not have any material contingent liabilities or guarantees.

USE OF PROCEEDS

The net proceeds from the placing of new Shares were approximately HK\$31.4 million, after deducting the listing related expenses. As at 30 September 2016, all of the unused proceeds were deposited in a licensed bank in Hong Kong. During the period from 25 September 2015 to 30 September 2016, a portion of the net proceeds from the listing 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 30 September 2016	Amount committed 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 31 December 2017)	HK\$0.6 million has been used to purchase office facilities, equipment and software and HK\$1.5 million has been used to expand workforce	HK\$0.3 million has been used to purchase office facilities, equipment and software and HK\$3.6 million has been used to expand workforce	Utilised as intended

Management Discussion and Analysis

USE OF PROCEEDS *(Continued)*

Proposed use of proceeds	Proposed amount to be used and time frame	Amount used as of 30 September 2016	Amount committed to be used for the next 12 months	Changes and explanations
Strengthen design capabilities	HK\$2.1 million (extend from before 30 June 2017 to 31 December 2017)	HK\$0.3 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 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	Utilised as intended
Set up an in-house translation team	HK\$18.5 million (extend from before 30 June 2017 to 31 December 2017)	The set up project was delayed as it needed more time to evaluate the market conditions	Nil	Will be utilised as intended

DISCLOSURE OF INTERESTS

(A) DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein (the "Register"), or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Percentage of issued share capital of the Company
Mr. Lau Man Tak ("Mr. Lau")	Interest in controlled corporations (Note)	192,000,000	75.0%

Note: Mr. Lau, the chairman of the Board and the non-executive Director, owns 76.25% of the issued share capital of Rising Luck Management Limited ("Rising Luck"), the remaining 23.75% of which is owned by an independent third party. Rising Luck owns 85% of the entire issued share capital of Jumbo Ace Enterprises Limited ("Jumbo Ace"). Mr. Lau also has a direct 5% interest in Jumbo Ace. Under the SFO, Mr. Lau is deemed to be interested in 192,000,000 Shares registered in the name of Jumbo Ace.

Other Information

DISCLOSURE OF INTERESTS *(Continued)*

(A) DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS *(Continued)*

Save as disclosed above, as at 30 September 2016, none of the Directors and the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors to be notified to the Company and the Stock Exchange.

(B) SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware of, as at 30 September 2016, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO (the "**Substantial Shareholders' Register**"), or who were directly or indirectly interested in 5% or more of the issued voting shares of the Company:

Long position in the Shares

Name	Capacity/Nature of interest	Number of Shares held	Percentage of issued share capital of the Company
Jumbo Ace	Beneficial owner	192,000,000	75.0%
Rising Luck	Interest in a controlled corporation (Note 1)	192,000,000	75.0%
Ms. Lim Youngsook	Family interest (Note 2)	192,000,000	75.0%

Other Information

DISCLOSURE OF INTERESTS *(Continued)*

(B) SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY *(Continued)*

Note 1: Rising Luck owns 85% of the entire issued share capital of Jumbo Ace, the remaining 10% and 5% of which are owned by independent third parties and Mr. Lau, respectively. Mr. Lau owns 76.25% of the issued share capital of Rising Luck, the remaining 23.75% of which is owned by an independent third party.

Note 2: Ms. Lim Youngsook is the wife of Mr. Lau and is therefore deemed to be interested in the Shares owned by Mr. Lau (by himself and through his controlled corporations).

Save as disclosed above, as at 30 September 2016, the Directors were not aware of any persons who/entities which had any interest or short position in the Shares or underlying Shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the Substantial Shareholders' Register required to be kept under section 336 of the SFO.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors or the controlling shareholders (as defined in the GEM Listing Rules) of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) 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 had or might have with the Group during the nine months ended 30 September 2016.

CORPORATE GOVERNANCE CODE

The Company adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance and the Board is satisfied that the Company had complied with the code provisions of the CG Code during the nine months ended 30 September 2016.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all the Directors and it was not aware of any non-compliance with the required standard of dealings regarding securities transactions by the Directors during the nine months ended 30 September 2016.

Other Information

INTERESTS OF COMPLIANCE ADVISER

As at 30 September 2016, as notified by the Company's compliance adviser, CLC International Limited (the "**Compliance Adviser**"), except for the compliance adviser agreement dated 11 September 2015 and entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor its directors, employees or its close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

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

During the nine months ended 30 September 2016, the Company did not redeem its Shares listed on the GEM of the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of the Company's listed securities.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Scheme**") on 12 August 2015 to provide incentive and/or to reward eligible persons for their contribution to, and continuing efforts to promote the interest of, the Group. The terms of the Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The purpose of the Scheme is to advance the interests of the Company and its Shareholders 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.

The Scheme is valid and effective for a period of ten years commencing on the date of adoption of the Scheme. As at 30 September 2016, 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 and there was no share option outstanding as at 30 September 2016.

Other Information

AUDIT COMMITTEE

The Company established the Audit Committee on 12 August 2015 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and review the Company's financial information.

The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Leung Chi Hung, Mr. Wong Kun Kau and Mr. Lum Chor Wah Richard. Mr. Leung Chi Hung is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2016 and this quarterly report and is of the view that such statements and report have been prepared in compliance with the applicable accounting standards, the GEM Listing Rules and other applicable legal requirements, and that adequate disclosure has been made.

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

Hong Kong, 8 November 2016

As at the date of this quarterly report, the executive Directors are Ms. Chiu Hok Yu and Ms. Kwok Kam Lai; the non-executive Director is Mr. Lau Man Tak; and the independent non-executive Directors are Mr. Leung Chi Hung, Mr. Wong Kun Kau and Mr. Lum Chor Wah Richard.

Corporate Information

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Ms. Chiu Hok Yu
Ms. Kwok Kam Lai

CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Mr. Lau Man Tak

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Chi Hung
Mr. Wong Kun Kau
Mr. Lum Chor Wah Richard

COMPANY SECRETARY

Mr. Ko Wai Lun Warren

COMPLIANCE OFFICER

Ms. Kwok Kam Lai

AUTHORISED REPRESENTATIVES

Ms. Chiu Hok Yu
Ms. Kwok Kam Lai

AUDIT COMMITTEE

Mr. Leung Chi Hung (*chairman*)
Mr. Wong Kun Kau
Mr. Lum Chor Wah Richard

REMUNERATION COMMITTEE

Mr. Lum Chor Wah Richard (*chairman*)
Mr. Leung Chi Hung
Mr. Wong Kun Kau
Ms. Chiu Hok Yu

NOMINATION COMMITTEE

Mr. Wong Kun Kau (*chairman*)
Mr. Leung Chi Hung
Mr. Lum Chor Wah Richard
Ms. Chiu Hok Yu

INDEPENDENT AUDITORS

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

REGISTERED OFFICE

Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F., Nexxus Building
77 Des Voeux Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Estera Trust (Cayman) Limited
Clifton House
75 Fort Street
P.O. Box 1350
Grand Cayman
KY1-1108
Cayman Islands

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai
Banking Corporation Limited

WEBSITE

www.ref.com.hk

STOCK CODE

8177