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## **Hephaestus Holdings Limited**

### **客思控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8173)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ISSUED SHARE CAPITAL OF THE TARGET COMPANY**

### **THE SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 4 November 2022 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor and the Target Company in respect of the Acquisition. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Shares, representing 50% of the issued share capital of the Target Company, at a consideration of HK\$11,200,000.

Upon Completion, the Company is indirectly interested in 50% of the issued share capital of the Target Company and the Target Company will not be accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will not be consolidated into the financial statements of the Group.

### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements, but is exempt from the Shareholders' approval requirements, under Chapter 19 of the GEM Listing Rules.

## **INTRODUCTION**

On 4 November 2022 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Sale and Purchase Agreement with the Vendor and the Target Company in respect of the Acquisition. Pursuant to the Sale and Purchase Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Shares, representing 50% of the issued share capital of the Target Company, at a consideration of HK\$11,200,000.

## **THE SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are set out below:

- Date : 4 November 2022 (after trading hours of the Stock Exchange)
- Parties : (i) The Vendor;  
(ii) The Purchaser; and  
(iii) The Target Company

### **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to acquire, and the Vendor agreed to sell the Sale Shares, representing 50% of the issued share capital of the Target Company.

### **Consideration**

The consideration of the Acquisition, being HK\$11,200,000, shall be settled in cash by the Purchaser on Completion.

The Consideration was determined based on arm's length negotiations between the Purchaser and the Vendor with reference to the following factors:

- (i) the net asset value of the Target Company of approximately HK\$22,458,000 as at 30 September 2022; and
- (ii) the valuation of the Property, being HK\$24,000,000 as at 30 September 2022, as prepared by an independent professional valuer.

### **Conditions precedent**

Completion of the Acquisition is unconditional.

### **Completion**

Completion has taken place on the same date as the Sale and Purchase Agreement.

## INFORMATION ON THE PARTIES

### The Group

The Group is principally engaged in the provision of interior design and execution services to premises including private residences, corporate offices, service apartments, hotels, residential clubhouses, show flats and sales galleries in Hong Kong.

### The Vendor

The Vendor is a merchant.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as of the date of this announcement, the Vendor is an Independent Third Party.

### The Target Company

The Target Company is a company incorporated in Hong Kong with limited liability.

The Target Company is a property holding company which is principally engaged in holding the Property and has not carried on any other business or activities.

Upon Completion, the Company is indirectly interested in 50% of the issued share capital of the Target Company and the Target Company will not be accounted for as a subsidiary of the Company. Accordingly, the financial results of the Target Company will not be consolidated into the financial statements of the Group. The other 50% of the issued share capital of the Target Company is held by Mr. Lee B. Oliver, an Independent Third Party.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

Set out below is the financial information of the Target Company for the two financial years ended 31 December 2020 and 2021:

	<b>For the year ended 31 December 2021 (unaudited) HK\$</b>	<b>For the year ended 31 December 2020 (audited) HK\$</b>
Revenue	—	133,815
Profit/(Loss) before income tax	1,162,322	(4,105,240)
Profit/(Loss) after income tax	1,162,322	(4,112,773)

Based on the unaudited management accounts of the Target Company and the valuation of the Property, being HK\$24,000,000 as at 30 September 2022, the net asset value of the Target Company was approximately HK\$22,458,000 as at 30 September 2022.

## **INFORMATION OF THE PROPERTY**

The Property comprises a piece of agricultural land situated at the northern side of Lam Kam Road in the district of Yuen Long of the New Territories which is currently vacant. The site area of the Property is about 13,939 sq.ft.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the provision of interior design and execution services to premises including private residences, corporate offices, service apartments, hotels, residential clubhouses, show flats and sales galleries in Hong Kong.

The Acquisition represents a valuable investment opportunity of the Group. The Board is of the view that the value of the Property will benefit from the northern metropolis development strategy of the government of Hong Kong in the long run.

Therefore, the Directors are of the view that the terms of the Sale and Purchase Agreement are fair and reasonable, on normal commercial terms, and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements, but is exempt from the Shareholders' approval requirements, under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the terms and conditions of the Sale and Purchase Agreement
“Board”	the board of Directors
“Company”	Hephaestus Holdings Limited 客思控股有限公司, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the GEM

“Completion”	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
“Completion Date”	the date of the Sale and Purchase Agreement
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$11,200,000.00
“Director(s)”	the director(s) of the Company
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the GEM Listing Rules) with the Company and connected person(s) of the Company
“Property”	Section A and the remaining portion of Lot No. 682 in Demarcation District No. 114, Yuen Long, New Territories, Hong Kong
“Purchaser”	BTR (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 4 November 2022 and entered into between the Purchaser, the Vendor and the Target Company in respect of the Acquisition
“Sale Shares”	being 5,000 ordinary shares, representing 50% of the issued share capital of the Target Company, which is legally and beneficially owned by the Vendor immediately before Completion
“Share(s)”	ordinary share(s) of HK\$0.0005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Joy Chance Investment Limited 運怡投資有限公司, a company incorporated in Hong Kong with limited liability
“Vendor”	Mr. Yu Zhen Hua Johnny, the beneficial owner of the Sale Shares immediately before Completion
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**Hephaestus Holdings Limited**  
**Huang Liang**  
*Chairman and Chief Executive Officer*

Hong Kong, 4 November 2022

*As at the date of this announcement, the Board comprised two executive Directors, namely Mr. Huang Liang and Ms. Lou Yi and three independent non-executive Directors, namely Mr. Luk Chi Shing, Mr. Lee Man Chun and Mr. Zheng Yuqiang.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 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.*

*This announcement will remain on the “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at [www.hephaestus.com.hk](http://www.hephaestus.com.hk).*