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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)

PROFIT WARNING

This announcement is made by Hephaestus Holdings Limited (the “**Company**” and its subsidiaries, collectively the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company that, based on a preliminary review on the unaudited consolidated management accounts of the Group for the year ended 31 March 2024 (the “**Year**”) and assessment of the latest information currently available to the Board, the Group expects to record a loss of no more than HK\$9 million for the Year, as compared to the loss of approximately HK\$3 million for the corresponding period in 2023.

The Board considered that the aforesaid increase in the loss was mainly attributable to the following reasons:

- (i) decrease in revenue from interior design and execution services of approximately 20% for the Year due to the decrease in projects from residential and show flat and sales office as compared to the corresponding period of 2023;
- (ii) the absence of government subsidies pursuant to the Employment Support Scheme for retention of employment and to combat the COVID-19 for the Year (2023: total government grants of approximately HK\$1.3 million);
- (iii) the fair value loss on financial assets at fair value through profit and loss (“**FVTPL**”) of approximately HK\$1.9 million in relation to the investment in debt securities for the Year (2023: fair value loss on financial assets at FVTPL of this investment was approximately HK\$0.5 million); and
- (iv) the Group recognized share of loss of an associate of the Company of approximately HK\$1.3 million for the Year (2023: share of profit of an associate of the Company was approximately HK\$18,000).

The Company is still in the process of finalising the annual results of the Group for the Year. The information contained in this announcement is only based on the preliminary assessment of the unaudited consolidated financial statements of the Group for the Year and the information currently available, which have neither been reviewed by the audit committee of the Company nor reviewed or audited by the auditors of the Company. The above information may be subject to further adjustments upon final review by the Board. Shareholders and potential investors of the Company are advised to refer to the details in the annual results of the Group for the Year, which is expected to be published in June 2024 in accordance with the GEM Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
Hephaestus Holdings Limited
Huang Liang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 25 June 2024

As at the date of this announcement, the Board comprised two executive Directors, Mr. Huang Liang and Ms. Yip Hiu Ying and three independent non-executive Directors, Mr. Tang Chin Ting, Mr. Lee Man Chun and Ms. Tong Yuk Ying Yannie.

This announcement, for which the Directors 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 of Hong Kong Limited 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 of Hong Kong Limited’s website at 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.