Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

Hephaestus Holdings Limited
客思控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8173)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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.

*This announcement, for which the directors (the "**Directors**" and each a "**Director**") of Hephaestus Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") 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. 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 for at least seven days from the date of its posting. This announcement will also be published on the Company's website at www.hephaestus.com.hk.

The board (the "**Board**") of Directors of the Company is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 September 2026 together with the comparative unaudited figures for the corresponding period in 2025 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

		Six months ended 30 September	
	Notes	**2026**	2025
		(unaudited)	(unaudited)
		HK$'000	*HK$'000*
Revenue	5	**20,776**	19,036
Cost of services		**(17,256)**	(13,291)
Gross profit		**3,520**	5,745
Other income and other losses, net	7	**472**	59
Administrative expenses		**(7,272)**	(9,216)
Loss from operations		**(3,280)**	(3,412)
Finance costs	8	**(3)**	(6)
Share of loss of an associate		**(3)**	(15)
Loss before tax		**(3,286)**	(3,433)
Income tax expense	9	**–**	–
Loss for the period	10	**(3,286)**	(3,433)
Other comprehensive expenses for the period			
Items that may be reclassified to profit or loss in subsequent periods:			
– Currency translation differences		**(9)**	(1)
Total comprehensive expenses for the period		**(3,295)**	(3,434)
Loss per share	12		
Basic and diluted		**HK(1.53) cents**	HK(1.59) cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2026

	Notes	**30 September 2026 (unaudited) *HK$'000***	31 March 2026 (audited) *HK$'000*
Non-current assets			
Property, plant and equipment	13	**95**	141
Right-of-use assets	14	**111**	171
Investment in an associate	15	**5,941**	5,944
Deferred tax assets		**19**	19
		6,166	6,275
Current assets			
Contract assets	17	**7,293**	5,747
Trade and other receivables	18	**8,082**	7,372
Loan receivable	16	**3,714**	7,564
Financial assets at fair value through profit or loss	19	**149**	237
Amount due from an associate	20	**1,593**	1,590
Bank and cash balances		**7,903**	8,409
		28,734	30,919
Current liabilities			
Contract liabilities	17	**4,784**	4,073
Trade and other payables	21	**11,815**	11,195
Amount due to a director		**260**	260
Tax payable		**–**	270
Lease liabilities		**116**	123
		16,975	15,921
Net current assets		**11,759**	14,998
Total assets less current liabilities		**17,925**	21,273
Non-current liabilities			
Lease liabilities		**–**	53
		–	53
NET ASSETS		**17,925**	21,220
Capital and reserves			
Share capital	22	**108**	108
Reserves		**17,817**	21,112
TOTAL EQUITY		**17,925**	21,220

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2026

1. GENERAL INFORMATION

Hephaestus Holdings Limited (the "**Company**") was incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is at Room 1602, 16/F, Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong.

The Company together with its subsidiaries, (hereinafter collectively referred to as the "**Group**"), is principally engaged in the provision of interior design and execution services.

In the opinion of the directors of the Company (the "**Directors**"), as at 30 September 2026, Hong Kong Jun Tai Ting Investment Company Limited ("**Jun Tai Ting Investment**"), a company incorporated in the British Virgin Islands, is the immediate and ultimate holding company and Ms. Ye Huacong is the ultimate controlling party of the Company.

This unaudited condensed consolidated financial information for the six months ended 30 September 2026 is presented in Hong Kong dollars ("**HK$**") which is the same as the functional currency of the Company and all values are rounded to the nearest thousand ("**HK$'000**") except when otherwise indicated.

2. BASIS OF PREPARATION

This unaudited condensed consolidated financial information has been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**").

The unaudited condensed consolidated financial information should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 March 2026. The accounting policies (including the critical judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty) and methods of computation used in the preparation of the unaudited condensed consolidated financial information are consistent with those used in the audited consolidated financial statements of the Group for the year ended 31 March 2026 and there have been no significant changes in the financial risk management policies for the six months ended 30 September 2026.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2026 but they do not have a material effect on the Group's unaudited condensed consolidated financial information for the six months ended 30 September 2026.

The accounting policies applied in this unaudited condensed consolidated financial information are the same as those applied in the consolidated financial statements of the Group as at and for the year ended 31 March 2026, except for the first time adoption of new and revised HKFRS Accounting Standards, which are mandatorily effective for the period beginning on or after 1 April 2026 as set out below:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards − Volume 11

A number of new standards or amendments to standards are effective for annual periods beginning after 1 April 2026 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing this unaudited condensed consolidated financial information.

4. FAIR VALUE MEASUREMENTS

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the condensed consolidated statement of financial position approximate their respective fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Disclosures of level in fair value hierarchy as at 30 September 2026:

Description	Fair value measurements using level 1	
	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Recurring fair value measurements:		
Financial assets at fair value through profit or loss		
Listed securities held for trading − debt instruments	**149**	232
− equity instruments	**−**	5
	149	237

5. REVENUE

An analysis of the Group's revenue for the period is as follows:

	Six months ended 30 September	
	2026 (unaudited) *HK$'000*	2025 (unaudited) *HK$'000*
Interior design and execution services	**20,776**	18,930
Handling services	**−**	106
	20,776	19,036

In the following table, revenue is disaggregated by geographical regions and timing of revenue recognition.

	Six months ended 30 September					
	Interior design and execution services		**Other**		**Total**	
	2026 (unaudited) *HK$'000*	2025 (unaudited) *HK$'000*	**2026 (unaudited) *HK$'000***	2025 (unaudited) *HK$'000*	**2026 (unaudited) *HK$'000***	2025 (unaudited) *HK$'000*
Geographical regions						
Hong Kong	**16,626**	6,029	**−**	106	**16,626**	6,135
Mainland China	**4,150**	12,901	**−**	−	**4,150**	12,901
	20,776	18,930	**−**	106	**20,776**	19,036
Timing of revenue recognition						
Over time	**20,776**	18,930	**−**	−	**20,776**	18,930
At a point in time	**−**	−	**−**	106	**−**	106
	20,776	18,930	**−**	106	**20,776**	19,036

6. SEGMENT INFORMATION

The Group's operating activities are attributable to a single operating segment focusing on interior design and execution services. This operating segment has been identified on the basis of internal reports, prepared in accordance with the Group's accounting policies that are regularly reviewed by the chief operating decision maker (the "**CODM**"), the Directors. The CODM is responsible for making decision about resources allocation. The information provided to the CODM is the same as those disclosed in the condensed consolidated financial information. Accordingly, no reportable segment information is presented.

Geographical information:

Information about the Group's revenue from external customers is presented based on the location of the projects:

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Hong Kong	**16,626**	6,135
Mainland China	**4,150**	12,901
	20,776	19,036

All the Group's non-current assets are located in Hong Kong.

7. OTHER INCOME AND OTHER LOSSES, NET

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest income	**73**	267
Reversal of impairment loss on trade receivables	**394**	24
Fair value losses of financial assets at fair value through profit or loss	**(87)**	(258)
Net exchange differences	**–**	–
Sundry income	**92**	26
	472	59

8. FINANCE COSTS

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Interest on lease liabilities	**(3)**	(6)

9. INCOME TAX EXPENSE

Income tax expense has been recognised in profit or loss as follows:

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax	**–**	–

Under the two-tiered profits tax rates regime, the profits tax rate for the first HK$2 million of assessable profits of qualifying corporations is lowered to 8.25%, and profits above that amount is still subject to the tax rate of 16.5%. Assessable profits of the Group entities not qualifying for the two-tiered profits tax rates regime are continued to be taxed at the rate of 16.5%.

10. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging:

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Employee benefit expenses (including directors' emoluments):		
Salaries and allowances	**3,612**	5,440
Other benefits (represent rent paid)	**966**	174
Retirement benefit scheme contributions	**137**	219
	4,715	5,833
Subcontracting charges	**11**	244
Depreciation of property, plant and equipment	**46**	407
Depreciation of right-of-use assets	**60**	61
Rental expenses relating to short-term leases	**–**	1,314

11. DIVIDENDS

The board of Directors (the "**Board**") does not recommend a payment of any dividend in respect of the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

12. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company for the six months ended 30 September 2026 are based on the following:

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Loss		
Loss attributable to owners of the Company	**(3,286)**	(3,433)

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares used in basic loss per share calculation	**215,347**	215,347

No diluted loss per share for the periods has been presented as there were no potential dilutive shares outstanding.

13. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2026, the Group acquired property, plant and equipment with a cost of Nil (unaudited) (six months ended 30 September 2025: approximately HK$7,000 (unaudited)).

During the six months ended 30 September 2026, there were no items of property, plant and equipment with a net carrying amount disposed of (six months ended 30 September 2025: Nil (unaudited)).

14. RIGHT-OF-USE ASSETS

The Group's right-of-use assets represent office equipment under leases.

15. INVESTMENT IN AN ASSOCIATE

	30 September 2026 (unaudited) ***HK$'000***	31 March 2026 (audited) *HK$'000*
At beginning of reporting period	**5,944**	8,760
Share of loss and other comprehensive expense	**(3)**	(2,816)
At end of reporting period	**5,941**	5,944

Details of the Group's associate at the end of the reporting period are as follows:

Name of entity	**Place of incorporation**	**Principal place of business**	**Proportion of ownership interest held by the Group**	**Proportion of voting right held by the Group**	**Principal activity**
Joy Chance Investment Limited ("**Joy Chance**")	Hong Kong	Hong Kong	50% (31 March 2026: 50%)	50% (31 March 2026: 50%)	Property holding

The Group has 50% ownership interest and voting rights in Joy Chance. By considering that the Group has no sufficient dominant voting rights to direct the relevant activity of Joy Chance unilaterally, the directors of the Company conclude that the Group only has significant influence over Joy Chance and therefore it is classified as an associate of the Group.

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRS Accounting Standards.

	30 September 2026 (unaudited) ***HK$'000***	31 March 2026 (audited) *HK$'000*
Non-current assets	**15,054**	15,054
Current assets	**4**	4
Current liabilities	**3,176**	3,170

	30 September 2026 (unaudited) HK$'000	31 March 2026 (audited) HK$'000
Revenue	–	–
Loss and other comprehensive expenses for the period/year	(6)	(5,631)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	30 September 2026 (unaudited) HK$'000	31 March 2026 (audited) HK$'000
Net assets of Joy Chance	11,882	11,888
Proportion of the Group's ownership interest in Joy Chance	50%	50%
The Group's share of net assets of Joy Chance	5,941	5,944

16. LOAN RECEIVABLE

	30 September 2026 (unaudited) HK$'000	31 March 2026 (audited) HK$'000
Loan receivable	3,850	7,700
Less: allowance for credit loss	(136)	(136)
	3,714	7,564

As at 30 September 2026, the loan receivable, with a remaining gross principal of HK$3,850,000 (as at 31 March 2026: HK$7,700,000) and an allowance for credit loss of HK$136,000 (as at 31 March 2026: HK$136,000), was due from an independent third party. The decrease in the gross principal was the first instalment collected before 30 September 2026. The loan is secured and interest bearing. For details of the provision of the loan, please refer to the Company's announcement dated 20 May 2024. As at the date of this announcement, the remaining balance of the loan receivable, including both the principal and the interest receivable, had been fully settled.

No impairment loss has been recognised in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2026 (six months ended 30 September 2025: Nil).

17. CONTRACT ASSETS/LIABILITIES

The contract assets represent the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional other than the passage of time.

The contract liabilities primarily represent the advanced consideration received from customers for which revenue is recognised based on the progress towards complete satisfaction of the related services.

Significant changes in the contract assets and contract liabilities during the six months ended 30 September 2026 are as follows:

	Contract assets (unaudited) ***HK$'000***	**Contract liabilities (unaudited)** ***HK$'000***
Transfer from contract assets recognised at the beginning of the period to trade receivables	**–**	**–**
Revenue recognised that was included in the contract liability balance at the beginning of the period	**–**	**–**

18. TRADE AND OTHER RECEIVABLES

	30 September 2026 (unaudited) ***HK$'000***	31 March 2026 (audited) *HK$'000*
Trade receivables	**7,229**	6,781
Allowance for impairment loss	**(173)**	(566)
	7,056	6,215
Prepayments, deposits and other receivables	**1,026**	1,157
	8,082	7,372

The Group has recognised the following trade receivables:

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Arising from interior design and execution services with customers	**7,056**	6,215

The ageing analysis of trade receivables based on invoice date is as follows:

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Within 30 days	**3,267**	4,671
31–60 days	**3,575**	1,179
61–90 days	**–**	–
91–180 days	**–**	–
181–365 days	**115**	198
Over 365 days	**99**	167
	7,056	6,215

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Listed securities held for trading		
– Debt instruments	**149**	232
– Equity instruments	**–**	5

As at 30 September 2026 and 31 March 2026, the Group subscribed debt instruments with principal amount of approximately HK$15.7 million and HK$15.5 million, respectively, with fixed interest rate ranged from 0% to 7.875% which were listed in Singapore Exchange Securities Trading Limited with variety of maturity date.

20. AMOUNT DUE FROM AN ASSOCIATE

The amount is unsecured, interest free and has no fixed repayment terms.

21. TRADE AND OTHER PAYABLES

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Trade payables	**8,436**	2,392
Accruals and other payables	**3,379**	8,803
	11,815	11,195

The ageing analysis of trade payables based on invoice date is as follows:

	30 September 2026 (unaudited) *HK$'000*	31 March 2026 (audited) *HK$'000*
Within 30 days	**4,830**	2,100
31 days to 60 days	**1,214**	–
Over 60 days	**2,392**	292
	8,436	2,392

22. SHARE CAPITAL

	Number of shares	**Amount** *HK$'000*
Authorised:		
At 1 April 2025 (audited), 31 March 2026 (audited) and 30 September 2026 (unaudited) Ordinary shares of HK$0.0005 each	**20,000,000,000**	**10,000**
Issued and fully paid:		
At 1 April 2025 (audited), 31 March 2026 (audited) and 30 September 2026 (unaudited) Ordinary shares of HK$0.0005 each	**215,346,526**	**108**

23. RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

The emoluments of directors and other key management personnel of the Group are as follows:

	Six months ended 30 September	
	2026	2025
	(unaudited)	(unaudited)
	HK$'000	*HK$'000*
Salaries and allowances	**210**	594
Other benefits (represent rent paid)	**–**	174
Retirement benefit scheme contributions	**–**	9
	210	777

24. CONTINGENT LIABILITIES

As at 30 September 2026, the Group did not have any significant contingent liabilities (as at 31 March 2026: Nil).

25. EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group's operating and financial performance subsequent to 30 September 2026 and up to the date of this announcement.

26. APPROVAL OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial information for the six months ended 30 September 2026 was approved and authorised for issue by the Board on 27 November 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

Business Review

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

During the six months ended 30 September 2026, the interior design industry in Hong Kong operated under a recovering but uneven environment. Residential transactions in the first half of 2026 were higher than a year earlier, while overall economic sentiment remained cautious. Renovation and upgrade projects gained traction as homeowners sought to improve functionality and aesthetics, rather than only incremental decoration. Mortgage rates eased for much of the period and then moved up in September. The Group's work in the period followed that end-user demand, in private residences, clinics, shops and a clubhouse, rather than in show flats and sales galleries of major property developers.

From the financial year ended 31 March 2022 to 31 March 2025, the Group experienced a significant decline in revenue due to the postponement or reduction of residential, show flat and sales office projects by major property developers in Hong Kong, who are the core clientele of the Group. In response to these challenges, the Group diversified its client base and expanded its market coverage. During the year ended 31 March 2026, the Group strengthened its presence in new sectors in the People's Republic of China (the "**PRC**" or "**Mainland China**"), including higher education institutions, student dormitories, employee accommodation, and lifestyle-oriented commercial spaces. During the six months ended 30 September 2026, those larger Mainland contracts were not repeated at the same scale. The projects undertaken were mainly private residential and fit-out work in Hong Kong, together with a smaller amount of private residential and commercial interior work in Mainland China.

Prospects

The Group's goals are to achieve sustainable growth and further strengthen its overall competitiveness and business growth in the interior design industry in Hong Kong. The Directors are of the view that the Group's capability to understand customers' requirements and transform far-fetched concepts into visionary solutions that embrace functionality and aesthetics has gained trust and appreciation from customers and enabled the Group to be one of the reputable players in the interior design industry in Hong Kong.

Looking ahead, the Group expects the Hong Kong residential market to remain uneven. The improvement in transactions in the first half of 2026 has already slowed, and borrowing costs moved up at the end of the period. Demand from homeowners for design-led renovation is the nearer opportunity. In Mainland China, the Group will continue to pursue education, accommodation and commercial interior work where the project is specific, rather than assume that the expansion of the last financial year will repeat itself.

The Group will continue to capitalise on opportunities by leveraging the Group's competitive strengths and implementing the following strategies: (i) maintain and strengthen market position in Hong Kong; (ii) enhance brand recognition and strengthen marketing efforts; and (iii) prudently explore Mainland China opportunities on a project-by-project basis.

FINANCIAL REVIEW

Revenue

For the six months ended 30 September 2026, the Group recorded revenue of approximately HK$20.8 million, an increase of approximately HK$1.7 million, or 9.1%, compared with approximately HK$19.0 million for the six months ended 30 September 2025. The increase was modest. The change in composition was more significant. Revenue from Hong Kong rose from approximately HK$6.1 million, or 32.2% of total revenue, for the six months ended 30 September 2025 to approximately HK$16.6 million, or 80.0% of total revenue, for the six months ended 30 September 2026. Revenue from Mainland China decreased from approximately HK$12.9 million, or 67.8% of total revenue, to approximately HK$4.2 million, or 20.0% of total revenue. All revenue was recognised over time. There was no revenue recognised at a point in time, compared with handling services of approximately HK$0.1 million in the corresponding period of 2025.

The Hong Kong increase came from residential and commercial interior work for end users, not from a return of show-flat and sales-gallery projects of major developers. Mainland revenue was also residential and commercial interior work, and was smaller because the larger education and accommodation contracts of the last financial year were not repeated.

Cost of services

Cost of services increased by approximately HK$4.0 million, or 29.8%, from approximately HK$13.3 million for the six months ended 30 September 2025 to approximately HK$17.3 million for the six months ended 30 September 2026. The increase was greater than the increase in revenue. A larger share of the period's work was execution and subcontracting, including work recognised by percentage of completion, and direct staff costs are included in cost of services.

Gross profit and gross profit margin

Gross profit decreased by approximately HK$2.2 million, or 38.7%, from approximately HK$5.7 million for the six months ended 30 September 2025 to approximately HK$3.5 million for the six months ended 30 September 2026. Gross profit margin decreased from approximately 30.2% to approximately 16.9%. The decrease was mainly because certain interior design projects were at a later stage of completion, under which a smaller amount of revenue was recognised during the period, while the related interior designer staff costs included in cost of services remained relatively stable and were therefore not absorbed to the same extent.

Other income and other losses, net

Other income and other losses, net was approximately HK$0.5 million for the six months ended 30 September 2026, compared with approximately HK$0.1 million for the six months ended 30 September 2025. The amount mainly comprised a reversal of impairment loss on trade receivables of approximately HK$0.4 million, interest income of approximately HK$0.1 million and sundry income of approximately HK$0.1 million, partly offset by a fair value loss on debt securities of approximately HK$0.1 million.

Administrative expenses

Administrative expenses decreased by approximately HK$1.9 million, or 21.1%, from approximately HK$9.2 million for the six months ended 30 September 2025 to approximately HK$7.3 million for the six months ended 30 September 2026.

Finance costs

Finance costs were approximately HK$3,000 for the six months ended 30 September 2026, compared with approximately HK$6,000 for the six months ended 30 September 2025. The amount was interest on lease liabilities.

Share of loss of an associate

Share of loss of an associate decreased from approximately HK$15,000 for the six months ended 30 September 2025 to approximately HK$3,000 for the six months ended 30 September 2026.

Loss before tax

The Group recorded a loss before tax of approximately HK$3.3 million for the six months ended 30 September 2026, compared with approximately HK$3.4 million for the six months ended 30 September 2025, a decrease of approximately HK$0.1 million, or 4.3%. The lower administrative expenses and higher other income were largely offset by the lower gross profit.

Income tax expense

The Group did not have any income tax expense for the six months ended 30 September 2026 and 2025.

Loss for the period

Loss for the period was approximately HK$3.3 million for the six months ended 30 September 2026, compared with approximately HK$3.4 million for the six months ended 30 September 2025. The loss was attributable to the items described above.

Trade and other payables

Trade and other payables were approximately HK$11.8 million as at 30 September 2026, compared with approximately HK$11.2 million as at 31 March 2026, an increase of approximately HK$0.6 million, or 5.5%.

FINANCIAL RESOURCES REVIEW

Liquidity and financial resources

As at 30 September 2026, the Group had lease liabilities of approximately HK$116,000 (31 March 2026: approximately HK$176,000). As at 30 September 2026, the Group had total assets of approximately HK$34.9 million (31 March 2026: approximately HK$37.2 million), including cash and cash equivalents of approximately HK$7.9 million (31 March 2026: approximately HK$8.4 million).

Capital structure

As at 30 September 2026 and 31 March 2026, the capital structure of the Company comprised issued share capital and reserves.

Current ratio and gearing ratio

As at 30 September 2026, the Group had a current ratio of approximately 1.7 times (31 March 2026: approximately 1.9 times). Gearing ratio at 30 September 2026 and at 31 March 2026 was not applicable as the Group was in net cash position.

Capital commitments

As at 30 September 2026, the Group did not have any material capital commitment (31 March 2026: Nil).

Contingent liabilities

As at 30 September 2026, the Group had no material contingent liabilities (31 March 2026: Nil).

Loan Receivable

As at 30 September 2026, the loan receivable of the Group was approximately HK$3.7 million (31 March 2026: approximately HK$7.6 million), comprising a remaining gross amount of HK$3,850,000 and an allowance for credit loss of HK$136,000.

The loan receivable represents a loan of HK$7,700,000 granted by BTR (HK) Limited, an indirect wholly-owned subsidiary of the Company, to Auto Cave Limited ("**Auto Cave**"), an independent third party, on 20 May 2024. The loan bears interest at 6.875% per annum and is secured by, among others, a share charge over 50% of the issued share capital of Joy Chance Investment Limited ("**Joy Chance**"), an associate of the Group, owned by Auto Cave. Details of the loan are set out in the Company's announcement dated 20 May 2024.

The loan was due on 20 May 2026. Pursuant to the deed of settlement entered into with Auto Cave on 20 May 2026, the outstanding amount was to be settled by two instalments in June 2026 and September 2026. The decrease in the loan receivable during the six months ended 30 September 2026 was due to the first instalment of HK$3,850,000 received before 30 September 2026. As at the date of this announcement, the remaining balance, including both principal and interest receivable, had been fully settled. Further details are disclosed in note 16 to the condensed consolidated financial information.

Charge over assets of the Group

As at 30 September 2026, the Group had no charge on its assets (31 March 2026: Nil).

Material acquisitions and disposals of subsidiaries, associates and joint ventures

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2026.

Foreign exchange risk

The Group is mainly exposed to foreign exchange risk arising from United States dollars ("**US$**") and Renminbi ("**RMB**"). Under the pegged exchange rate system, the financial impact on exchange difference between HK$ and US$ is considered immaterial as the relevant US$ denominated monetary assets and liabilities are held by group entities having HK$ as their functional currency. In view of the Group's increased business exposure to Mainland China, the Group will continue to monitor its RMB exchange exposure and take appropriate measures where necessary. The Group does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Credit risk

The Group's credit risk is primarily attributable to its loan receivable, investment in debt securities, trade and other receivables, amount due from an associate, contract assets and bank balances. The management manages this exposure of credit risk from investment in debt securities by maintaining a portfolio of investments with different risk and return profiles. In respect of trade receivables and contract assets, individual credit evaluations are performed on all customers, which focus on the customer's reputation and past history of making payments. In addition, management reviews the recoverable amount of each individual trade debt and contract asset regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. For other receivables, management makes periodic individual and collective assessments on the recoverability of other receivables based on historical settlement records and past experience. In this regard, the Group's credit risk is significantly reduced. For loan receivable, the management performed due diligence analysis on the borrower and obtained sufficient level of security for the loan receivable.

Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

Significant investment held

As at 30 September 2026, the carrying amount of the Group's interest in Joy Chance Investment Limited was approximately HK$5.9 million (31 March 2026: approximately HK$5.9 million), representing approximately 17.1% of the total assets of the Group. The Group owns 5,000 shares, representing 50% of Joy Chance. The historical cost of the investment is HK$11.2 million. The Group's share of loss of Joy Chance for the six months ended 30 September 2026 was approximately HK$3,000. As the investment is accounted for using the equity method, no realised or unrealised gain or loss on fair value changes was recognised during the six months ended 30 September 2026, and no dividend was received from Joy Chance.

Joy Chance is a property holding company that is principally engaged in holding the property. The investment in Joy Chance is expected to be held for long-term strategic purposes.

Further details of the investment in an associate and the summarized financial information are disclosed in note 15 to the condensed consolidated financial information.

Save as disclosed above, the Group had no other significant investment held with a value of 5% or more of the Company's total assets as at 30 September 2026.

Future plans for material investments or capital assets

The Group does not have any concrete plan for material investments or capital assets as at 30 September 2026.

Employees

As at 30 September 2026, the Group had 27 employees (31 March 2026: 29 employees). Total staff costs including directors' emoluments for the six months ended 30 September 2026 amounted to approximately HK$4.7 million (for the six months ended 30 September 2025: approximately HK$5.8 million). Their remuneration, promotion and salary review are assessed based on each employee's qualifications, relevant experience, position and seniority. The employees in Hong Kong joined the mandatory provident fund scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 30 September 2026, so far as is known to any Directors or chief executive of the Company, the interests and short positions of the Directors and chief executives of the Company in the shares of the Company (the "**Share(s)**"), 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 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 which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which as otherwise, pursuant to Rule 5.46 of the GEM Listing Rules, notified to the Company and the Stock Exchange, were as follows:

Interests and short positions in the shares of the Company

Name of Director	Nature of interest	Total interest in Shares *(Note 1)*	Approximate percentage of shareholding *(Notes 1 and 3)*
Mr. Huang Liang	Interest of spouse *(Note 2)*	159,068,639(L)	73.87%(L)

Notes:

(1) "L" represents long position in the Shares and "S" represents short position in the Shares.

(2) Hong Kong Jun Tai Ting Investment Company Limited ("**Jun Tai Ting Investment**") is wholly and beneficially owned by Ms. Ye Huacong. Under the SFO, Ms. Ye Huacong is deemed to be interested in the Shares held by Jun Tai Ting Investment. Mr. Huang Liang is the spouse of Ms. Ye Huacong. Mr. Huang Liang is deemed to be interested in all the Shares in which Ms. Ye Huacong is interested in for the purpose of the SFO.

(3) The percentage is calculated on the basis of 215,346,526 Shares in issue as at 30 September 2026.

Save as disclosed above, as at 30 September 2026, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2026, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the persons or corporations (other than the Directors and the chief executive of the Company) in the Shares and underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Interests and short positions in the shares of the Company

Name of shareholder	**Nature of interest**	**Total interest in Shares** *(Note 1)*	**Approximate percentage of shareholding** *(Note 1 and 3)*
Jun Tai Ting Investment	Beneficial owner *(Note 2)*	159,068,639(L)	73.87%(L)
Ms. Ye Huacong	Interest of controlled corporation *(Note 2)*	159,068,639(L)	73.87%(L)

Notes:

(1) "L" represents long position in the Shares and "S" represents short position in the Shares.

(2) Jun Tai Ting Investment is wholly and beneficially owned by Ms. Ye Huacong. Under the SFO, Ms. Ye Huacong is deemed to be interested in the Shares held by Jun Tai Ting Investment.

(3) The percentage is calculated on the basis of 215,346,526 Shares in issue as at 30 September 2026.

Save as disclosed above, as at 30 September 2026, so far as is known to the Directors and the chief executive of the Company, and based on the public records filed on the website of the Stock Exchange and records kept by the Company, no other persons or corporations (other than the Directors and the chief executive of the Company) had or was deemed to have any interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OF THE COMPANY

Save as disclosed in this announcement, at no time during the six months ended 30 September 2026 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors (including their respective spouses and children under the age of 18) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations, and none of the Directors or their respective spouses or children under the age of 18 had any right to subscribe for shares of the Company or any of its associated corporations or had exercised any such rights during the six months ended 30 September 2026.

INTERIM DIVIDEND

The Board does not recommend a payment of any dividend by the Company for the six months ended 30 September 2026 (30 September 2025: Nil).

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

During the six months ended 30 September 2026, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (within the meaning of the GEM Listing Rules), if any). As at 30 September 2026, the Company did not hold any such treasury shares.

CORPORATE GOVERNANCE PRACTICES

The Company considers the maintenance of a high standard of corporate governance is important to the continuous growth of the Group. The Company's corporate governance practices are based on code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the GEM Listing Rules. The Company has adopted the CG Code to ensure that the Group's business activities and decision-making processes are regulated in a proper and prudent manner. In the opinion of the Board, other than the deviation from code provision C.2.1 (as disclosed below), the Company has complied with all the code provisions set forth in the section headed "Part 1 − Mandatory disclosure requirements" and the applicable code provisions set out in the section headed "Part 2 − Principles of good corporate governance, code provisions and recommended best practices" of CG Code throughout the six months ended 30 September 2026.

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Huang Liang is acting as the chairman of the Board and chief executive officer of the Company. The Board believes that vesting the roles of both chairman of the Board and chief executive officer of the Company in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board considers the deviation from code provision C.2.1 of the CG Code to be appropriate in such circumstance.

The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES

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 as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the six months ended 30 September 2026.

The Company has adopted the same code of conduct for securities transactions by the relevant employees to regulate certain employees of the Group who are deemed to be in possession of unpublished inside information of the Company when dealing in the securities of the Company.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The audit committee of the Company has reviewed the unaudited condensed consolidated financial statement of the Group for the six months ended 30 September 2026 and this announcement and is of the opinion that the preparation of such interim financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event which had material effect on the Group's operating and financial performance subsequent to 30 September 2026 and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.hephaestus.com.hk.

The printed version of the Interim Report 2026/27 will be dispatched to the shareholders of the Company who have chosen to receive printed version and will be available for viewing on the website of the Stock Exchange at www.hkexnews.hk and of the Company at www.hephaestus.com.hk in due course in the manner as required by the GEM Listing Rules.

APPRECIATION

The Board would like to take this opportunity to extend our gratitude and sincere appreciation to the management team and all staff for their diligence and dedication throughout the six months ended 30 September 2026.

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

Hong Kong, 27 November 2026

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Liang and Mr. Liu Junda and three independent non-executive Directors, namely Mr. Choi Wan Sang Vincent, Mr. Wong Yan Ming and Ms. Yan Fei.