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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)

CHANGE OF AUDITOR

This announcement is made pursuant to Rule 17.50(4) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Hephaestus Holdings Limited (the “**Company**”, and its subsidiaries, the “**Group**”) announces that RSM Hong Kong (“**RSM HK**”) has resigned as auditors of the Group with effect from 31 March 2023, as RSM HK and the Company could not reach a consensus on the audit fee for the financial year ended 31 March 2023.

The Company is incorporated under the laws of Cayman Islands and to the knowledge of the Board there is no requirement under the laws of Cayman Islands for the outgoing auditor to confirm whether or not there is any circumstance connected with their resignation which they consider should be brought to the attention of the Company’s members and creditors. RSM Hong Kong has therefore not issued such confirmation. Both the Board and the Audit Committee of the Company (the “**Audit Committee**”) confirm that there is no disagreement between RSM HK and the Company, and there are no matters in respect of the change of the auditors which should be brought to the attention of the shareholders of the Company.

The Board confirms that RSM HK has not commenced any audit work on the accounts of the Group for the financial year ended 31 March 2023. The Board believes that the change of auditor will not have any impact on the annual audit of the Group for the financial year ended 31 March 2023.

The Board would like to take this opportunity to thank RSM HK for their professional services and support in the past years.

APPOINTMENT OF AUDITOR

The Board, with the recommendation from the Audit Committee, has resolved to appoint LIF & WONG CPA Limited (“**LIF & WONG**”) as the auditors of the Group with effect from 31 March 2023 to fill the casual vacancy following the resignation of RSM HK and to hold office until the conclusion of the next annual general meeting of the Company.

According to Code Provision D.3.3 of Appendix 15 to the GEM Listing Rules, the Audit Committee is responsible for performing, among others, the following duties:

- (a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor;
- (b) to approve the remuneration and terms of engagement of the external auditor; and
- (c) to address any issues related to the resignation or removal of the auditor (if any).

In respect of the resignation of RSM HK as the Company’s auditor and the appointment of LIF & WONG as the new auditor of the Company, the Audit Committee has:

1. discussed and dealt with issues regarding the reasons for RSM HK’s resignation as the Company’s auditor, mainly being the lack of consensus in respect of the audit fee;
2. obtained and discussed the fee quotations from LIF & WONG and other professional accounting firm; and
3. conducted a review of the background and suitability of LIF & WONG, including its qualifications and industry experience.

On the basis of the above, the Audit Committee has passed a resolution to recommend to the Board the appointment of LIF & WONG as the new auditor of the Company to fill the casual vacancy with effect from 31 March 2023 and to hold office until the next annual general meeting of the Company after taking into consideration, inter alia, LIF & WONG’s fee quotation and its qualifications and industry experience.

The Board has agreed to adopt the recommendations of the Audit Committee and a board resolution has been passed to appoint LIF & WONG as the Company's new auditor to fill the casual vacancy with effect from 31 March 2023 until the conclusion of the next annual general meeting of the Company.

The Board would like to take this opportunity to extend its welcome to LIF & WONG on its appointment as the new auditor of the Company.

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

Hong Kong, 31 March 2023

As at the date of this announcement, the Board comprised three executive Directors, Mr. Huang Liang, Ms. Yip Hiu Ying and Ms. Lou Yi 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 Stock Exchange'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.