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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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of Hephaestus Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2023. This announcement, containing the full text of the 2023/24 interim report of the Company for the six months ended 30 September 2023 (the “**2023/24 Interim Report**”), complies with the relevant requirements of the Rules (“**GEM Listing Rules**”) Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in relation to information to accompany preliminary announcement of interim results. The printed version of the 2023/24 Interim Report will be dispatched to the shareholders of the Company and available for viewing on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.hephaestus.com.hk](http://www.hephaestus.com.hk) in due course in the manner as required by the GEM Listing Rules.

By order of the Board

**Hephaestus Holdings Limited**

**Huang Liang**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 10 November 2023

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Liang and Ms. Yip Hiu Ying and three independent non-executive Directors, namely 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 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 seven 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).*

## 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, 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 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 report misleading.*

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### ***Executive Directors***

Mr. Huang Liang  
*(Chairman and Chief Executive Officer)*  
Ms. Yip Hiu Ying  
Ms. Lou Yi *(resigned on 24 May 2023)*

#### ***Independent non-executive Directors***

Mr. Tang Chin Ting  
Mr. Lee Man Chun  
Mr. Tong Yuk Ying Yannie

### **COMPANY SECRETARY**

Ms. Cheng Pui Ling *(appointed on 31 July 2023)*  
Ms. Chan Yuen Mui *(resigned on 31 July 2023)*

### **COMPLIANCE OFFICER**

Mr. Huang Liang

### **AUTHORISED REPRESENTATIVES**

Ms. Yip Hiu Ying *(appointed on 24 May 2023)*  
Ms. Cheng Pui Ling *(appointed on 31 July 2023)*  
Ms. Lou Yi *(resigned on 24 May 2023)*  
Ms. Chan Yuen Mui *(resigned on 31 July 2023)*

### **AUDIT COMMITTEE**

Mr. Tang Chin Ting *(Chairman)*  
Mr. Lee Man Chun  
Ms. Tong Yuk Ying Yannie

### **NOMINATION COMMITTEE**

Mr. Lee Man Chun *(Chairman)*  
Mr. Tang Chin Ting  
Ms. Tong Yuk Ying Yannie

### **REMUNERATION COMMITTEE**

Ms. Tong Yuk Ying Yannie *(Chairlady)*  
Mr. Tang Chin Ting  
Mr. Lee Man Chun

## **CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## **HONG KONG 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

### **REGISTERED OFFICE**

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Room 1602, 16/F  
Park Commercial Centre  
180 Tung Lo Wan Road  
Causeway Bay  
Hong Kong

### **PRINCIPAL BANKERS**

Bank of Communications (Hong Kong) Limited  
China Citic Bank International Limited

### **WEBSITE**

[www.hephaestus.com.hk](http://www.hephaestus.com.hk)

### **STOCK CODE**

8173

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Notes	Three months ended 30 September		Six months ended 30 September	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>Revenue</b>	5	<b>6,747</b>	6,817	<b>16,068</b>	18,157
Cost of services		<b>(3,959)</b>	(4,444)	<b>(9,002)</b>	(10,920)
<b>Gross profit</b>		<b>2,788</b>	2,373	<b>7,066</b>	7,237
Other net (losses)/income	7	<b>(356)</b>	(91)	<b>(1,486)</b>	16
Administrative expenses		<b>(3,748)</b>	(5,082)	<b>(7,756)</b>	(8,981)
<b>Loss from operations</b>		<b>(1,316)</b>	(2,800)	<b>(2,176)</b>	(1,728)
Finance costs	8	<b>(3)</b>	(6)	<b>(7)</b>	(12)
Share of loss of an associate		<b>(1)</b>	-	<b>(11)</b>	-
<b>Loss before tax</b>		<b>(1,320)</b>	(2,806)	<b>(2,194)</b>	(1,740)
Income tax (expenses)/credit	9	<b>-</b>	24	<b>(69)</b>	(25)
<b>Loss for the period</b>	10	<b>(1,320)</b>	(2,782)	<b>(2,263)</b>	(1,765)
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to profit or loss in subsequent periods:</i>					
- Changes in fair value of financial assets at fair value through other comprehensive income		-	(110)	-	(110)
<b>Total comprehensive income for the period</b>		<b>(1,320)</b>	(2,892)	<b>(2,263)</b>	(1,875)
<b>Loss per share</b>	12				
Basic		<b>HK(0.61) cents</b>	HK(1.29) cents	<b>HK(1.05) cents</b>	HK(0.82) cents
Diluted		<b>N/A</b>	N/A	<b>N/A</b>	N/A

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2023

	Notes	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	13	1,722	2,136
Right-of-use assets	14	359	549
Investment in an associate		11,207	11,218
Deferred tax assets		16	16
		<u>13,304</u>	<u>13,919</u>
<b>Current assets</b>			
Contract assets	15	16,798	18,136
Trade and other receivables	16	13,708	14,784
Financial assets at fair value through profit or loss	17	824	2,319
Current tax assets		1,459	2,182
Bank and cash balances		9,923	5,076
		<u>42,712</u>	<u>42,497</u>
<b>Current liabilities</b>			
Contract liabilities	15	8,454	6,293
Trade and other payables	18	4,139	4,309
Amount due to a director		260	260
Current tax liabilities		69	–
Lease liabilities		380	397
		<u>13,302</u>	<u>11,259</u>
<b>Net current assets</b>		<u>29,410</u>	<u>31,238</u>
<b>Total assets less current liabilities</b>		<u>42,714</u>	<u>45,157</u>

	Note	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
<b>Non-current liabilities</b>			
Deferred tax liabilities		181	181
Lease liabilities		–	180
		<u>181</u>	<u>361</u>
<b>NET ASSETS</b>			
		<u>42,533</u>	<u>44,796</u>
<b>Capital and reserves</b>			
Share capital	19	108	108
Reserves		<u>42,425</u>	<u>44,688</u>
<b>TOTAL EQUITY</b>			
		<u>42,533</u>	<u>44,796</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to the owners of the Company (unaudited)						
	Share capital HK\$'000 (Note 20)	Share premium HK\$'000	Capital redemption reserve HK\$'000	Fair value reserve HK\$'000	Other reserves HK\$'000 (Note)	Accumulated losses HK\$'000	Total equity HK\$'000
At 1 April 2022	108	145,239	14	-	(68,482)	(29,031)	47,848
Loss for the period	-	-	-	-	-	(1,765)	(1,765)
Other comprehensive income:							
- Changes in fair value of financial assets at fair value through other comprehensive income	-	-	-	(110)	-	-	(110)
Total comprehensive income and changes in equity for the period	-	-	-	(110)	-	(1,765)	(1,875)
At 30 September 2022	<u>108</u>	<u>145,239</u>	<u>14</u>	<u>(110)</u>	<u>(68,482)</u>	<u>(30,796)</u>	<u>45,973</u>
At 1 April 2023	<u>108</u>	<u>145,239</u>	<u>14</u>	<u>-</u>	<u>(68,482)</u>	<u>(32,083)</u>	<u>44,796</u>
Loss for the period	-	-	-	-	-	(2,263)	(2,263)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income and changes in equity for the period	-	-	-	-	-	(2,263)	(2,263)
At 30 September 2023	<u>108</u>	<u>145,239</u>	<u>14</u>	<u>-</u>	<u>(68,482)</u>	<u>(34,346)</u>	<u>42,533</u>

Note:

Other reserves comprise the adjustment of the legal capital of Absolute Surge Limited (“**Absolute Surge**”) to reflect the legal capital of the Company arising from the reverse takeover completed on 13 November 2019 and the difference between the nominal value of share capital of the subsidiaries of Absolute Surge acquired pursuant to the reorganisation completed on 26 April 2019 over the nominal value of the share capital of Absolute Surge issued in exchange thereof.



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

	Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>5,043</b>	<b>(8,223)</b>
Interest received	15	1
Purchases of property, plant and equipment	(10)	(2,252)
Proceeds from disposal of property, plant and equipment	3	7
Purchases of financial assets at fair value through other comprehensive income	–	(990)
Proceeds from disposal of a key management insurance policy	–	8,194
<b>NET CASH GENERATED FROM INVESTING ACTIVITIES</b>	<b>8</b>	<b>4,960</b>
Principal element of lease payments	(204)	(192)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(204)</b>	<b>(192)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>4,847</b>	<b>(3,455)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	<b>5,076</b>	<b>22,643</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	<b>9,923</b>	<b>19,188</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	9,923	19,089
Deposit with brokers	–	99
	<b>9,923</b>	<b>19,188</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

## 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 2023, 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 2023 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 2023. The accounting policies (including the significant 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 2023 and there have been no significant changes in the financial risk management policies for the six months ended 30 September 2023.

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

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 April 2023 but they do not have a material effect on the Group’s unaudited condensed consolidated financial information for the six months ended 30 September 2023. HKFRSs comprise individual Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards; and Interpretations.

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 2023, except for the first time adoption of new and revised HKFRSs, which are mandatorily effective for the period beginning on or after 1 April 2023 as set out below:

- HKFRS 17 – Insurance Contracts and the related Amendments;
- Amendments to HKAS 1 and HKFRS Practice Statement 2 – Disclosure of Accounting Policies;
- Amendments to HKAS 8 – Definition of Accounting Estimates; and
- Amendments to HKAS 12 – Deferred Tax Related to Assets and Liabilities arising from a Single Transaction and International tax reform – Pillar two model rules.

A number of new standards or amendments to standards are effective for annual periods beginning after 1 April 2023 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.

##### (a) Disclosures of level in fair value hierarchy as at 30 September 2023:

Description	Fair value measurements using level 1	
	30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
<b>Recurring fair value measurements:</b>		
Financial assets at fair value through profit or loss		
Listed securities held for trading – debt instruments	<b>824</b>	2,319

**(b) Reconciliation of financial assets measured at fair value based on level 3 for the six months ended 30 September 2023:**

Description	Financial assets at fair value through profit or loss	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Balance as at 1 April	–	8,209
Disposals	–	(8,194)
Total losses recognised in profit or loss	–	(15)
Balance as at 30 September	–	–

Total losses recognised in profit or loss (including assets held at the end of reporting period) are included in the line item “Other net (losses)/income” in the condensed consolidated statement of profit or loss and other comprehensive income.

**5. REVENUE**

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

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Interior design and execution services	6,738	6,772	15,995	18,112
Colour-rendering services	–	45	55	45
Handling services	9	–	18	–
	<b>6,747</b>	<b>6,817</b>	<b>16,068</b>	<b>18,157</b>

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	
		2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>Geographical regions</b>							
Hong Kong		15,908	17,676	73	45	15,981	17,721
Macau		–	15	–	–	–	15
Mainland China		87	57	–	–	87	57
Thailand		–	364	–	–	–	364
		<u>15,995</u>	<u>18,112</u>	<u>73</u>	<u>45</u>	<u>16,068</u>	<u>18,157</u>
<b>Timing of revenue recognition</b>							
Over time		15,995	18,112	–	–	15,995	18,112
At a point in time		–	–	73	45	73	45
		<u>15,995</u>	<u>18,112</u>	<u>73</u>	<u>45</u>	<u>16,068</u>	<u>18,157</u>

Three months ended 30 September

	Interior design and execution services		Other		Total	
	2023	2022	2023	2022	2023	2022
	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000	(unaudited) HK\$'000
<b>Geographical regions</b>						
Hong Kong	6,738	6,388	9	45	6,747	6,433
Macau	–	15	–	–	–	15
Mainland China	–	5	–	–	–	5
Thailand	–	364	–	–	–	364
	<b>6,738</b>	<b>6,772</b>	<b>9</b>	<b>45</b>	<b>6,747</b>	<b>6,817</b>
<b>Timing of revenue recognition</b>						
Over time	6,738	6,772	–	–	6,738	6,772
At a point in time	–	–	9	45	9	45
	<b>6,738</b>	<b>6,772</b>	<b>9</b>	<b>45</b>	<b>6,747</b>	<b>6,817</b>

## 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	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Hong Kong	15,981	17,721
Macau	–	15
Mainland China	87	57
Thailand	–	364
	<b>16,068</b>	<b>18,157</b>

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

## 7. OTHER NET (LOSSES)/INCOME

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Interest income on bank deposits	9	–	15	1
Investment income from financial assets at fair value through profit or loss – senior perpetual capital securities	–	92	–	92
Reversal of impairment loss on trade receivables	1	–	1	–
Government grants (Note)	–	280	–	1,144
Gains on disposal of property, plant and equipment, net	–	–	–	7
Fair value losses of financial assets at fair value through profit or loss	(367)	(366)	(1,492)	(877)
Net exchange differences	(5)	(150)	(16)	(404)
Sundry income	6	53	6	53
	<b>(356)</b>	<b>(91)</b>	<b>(1,486)</b>	<b>16</b>

Note: Government grants for the Employment Support Scheme (the "ESS") in respect of the COVID-19 pandemic were received to provide financial support to the Group to retain its employees during the six months ended 30 September 2022.



## 8. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
	Interest on lease liabilities	<u>3</u>	<u>6</u>	<u>7</u>

## 9. INCOME TAX (EXPENSES)/CREDIT

Income tax (expenses)/credit has been recognised in profit or loss as follows:

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
	Current tax			
Hong Kong Profits Tax	–	49	(69)	–
PRC Corporate Income Tax (“CIT”)	–	(2)	–	(2)
	<u>–</u>	<u>47</u>	<u>–</u>	<u>(2)</u>
Deferred tax				
	–	(23)	–	(23)
	<u>–</u>	<u>24</u>	<u>(69)</u>	<u>(25)</u>

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%.

PRC CIT has been provided at a rate of 25%.

## 10. LOSS FOR THE PERIOD

The Group's loss for the period is arrived at after charging/(crediting):

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Employee benefit expenses (including directors' emoluments):				
Salaries and allowances	4,532	5,925	9,938	12,054
Other benefits (represent rent paid)	87	87	174	174
Retirement benefit scheme contributions	169	194	359	415
Other long-term benefits	–	115	–	115
	<b>4,788</b>	6,321	<b>10,471</b>	12,758
Subcontracting charges	831	630	2,076	2,518
Depreciation of property, plant and equipment	208	64	420	115
Depreciation of right-of-use assets	95	95	190	190
Gains on disposal of property, plant and equipment, net	–	–	–	(7)
Rental expenses relating to short-term leases	879	879	1,758	1,758
	<b>879</b>	879	<b>1,758</b>	1,758

## 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 2023 (six months ended 30 September 2022: Nil).

## 12. LOSS PER SHARE

The calculation of basic loss per share attributable to the owners of the Company for the three months and six months ended 30 September 2023 are based on the following:

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
<b>Loss</b>				
Loss attributable to owners of the Company	<u>(1,320)</u>	<u>(2,782)</u>	<u>(2,263)</u>	<u>(1,765)</u>

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) '000	2022 (unaudited) '000	2023 (unaudited) '000	2022 (unaudited) '000
<b>Number of shares</b>				
Weighted average number of ordinary shares used in basic earnings per share calculation	<u>215,347</u>	<u>215,347</u>	<u>215,347</u>	<u>215,347</u>

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 2023, the Group acquired property, plant and equipment with a cost of approximately HK\$10,000 (unaudited) (six months ended 30 September 2022: HK\$2,252,000 (unaudited)).

Items of property, plant and equipment with a net carrying amount of approximately HK\$4,000 (unaudited) were disposed of during the six months ended 30 September 2023 (six months ended 30 September 2022: Nil (unaudited)).

## 14. RIGHT-OF-USE ASSETS

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

## 15. 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 2023 are as follows:

	<b>Contract assets (unaudited) HK\$'000</b>	<b>Contract liabilities (unaudited) HK\$'000</b>
Transfer from contract assets recognised at the beginning of the period to trade receivables	<b>(10,743)</b>	–
Revenue recognised that was included in the contract liability balance at the beginning of the period	–	<b>2,008</b>

## 16. TRADE AND OTHER RECEIVABLES

	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
Trade receivables	<b>12,335</b>	12,222
Allowance for impairment loss	<b>(830)</b>	(830)
	<b>11,505</b>	11,392
Prepayments, deposits and other receivables	<b>2,203</b>	3,392
	<b>13,708</b>	14,784

The Group has recognised the following trade receivables:

	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
Arising from interior design and execution with customers	<b>11,505</b>	11,392

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

	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
Within 30 days	<b>778</b>	1,612
31–60 days	<b>6,540</b>	2,554
61–90 days	<b>1,372</b>	–
91–180 days	<b>1,628</b>	3,238
181–365 days	<b>307</b>	3,988
Over 365 days	<b>880</b>	–
	<b>11,505</b>	11,392

## 17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
Listed securities held for trading		
– Debt instruments	<b>824</b>	2,319

During the year ended 31 March 2023, the Group subscribed debt instruments with principal amount of HK\$13,650,000 with fixed interest rate ranged from 7.875% to 11.7% which were listed in Singapore Exchange Securities Trading Limited with variety of maturity date.

## 18. TRADE AND OTHER PAYABLES

	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
Trade payables	–	–
Accruals and other payables	<u>4,139</u>	<u>4,309</u>
	<b><u>4,139</u></b>	<b><u>4,309</u></b>

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

	<b>30 September 2023 (unaudited) HK\$'000</b>	31 March 2023 (audited) HK\$'000
Within 30 days	<u>–</u>	<u>–</u>

## 19. SHARE CAPITAL

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>		
At 1 April 2022, 30 September 2022, 1 April 2023 and 30 September 2023 Ordinary shares of HK\$0.0005 each	<u>20,000,000,000</u>	<u>10,000</u>
<b>Issued and fully paid:</b>		
At 1 April 2022, 30 September 2022, 1 April 2023 and 30 September 2023 Ordinary shares of HK\$0.0005 each	<u>215,346,526</u>	<u>108</u>

## 20. RELATED PARTY TRANSACTIONS

The Directors are of the view that during the period, transactions or balances with the following parties are considered as related party transactions:

Name of related party	Relationship with the Group
Mr. Chan Norman Enrique ("Mr. Norman Chan")	A former executive director and a former director of significant subsidiaries of the Company
Waldorf Holdings Limited	Controlled by Mr. Norman Chan, a former executive director of the Company and a former director of significant subsidiaries of the Company

The Group had the following transactions and balances with its related parties during the period/at the end of reporting period:

### (a) Transactions and balances with related parties

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Consultancy fee paid to Mr. Norman Chan	150	–	300	–
Office rental paid to Waldorf Holdings Limited	879	–	1,758	186
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
			30 September 2023 (unaudited) HK\$'000	31 March 2023 (audited) HK\$'000
Rental deposit held by Waldorf Holdings Limited			586	586
			<u>          </u>	<u>          </u>

## (b) Key management personnel compensation

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

	Three months ended 30 September		Six months ended 30 September	
	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000	2023 (unaudited) HK\$'000	2022 (unaudited) HK\$'000
Salaries and allowances	327	327	669	772
Other benefits (represent rent paid)	87	87	174	174
Retirement benefit scheme contributions	5	5	9	11
Other long-term benefits	–	–	–	115
	<u>419</u>	<u>419</u>	<u>852</u>	<u>1,072</u>

## 21. CONTINGENT LIABILITIES

As at 30 September 2023, the Group did not have any significant contingent liabilities (as at 31 March 2023: Nil).

## 22. 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 2023 and up to the date of this report.

## 23. APPROVAL OF FINANCIAL INFORMATION

The unaudited condensed consolidated financial information for the six months ended 30 September 2023 was approved and authorised for issue by the Board on 10 November 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Board hereby announces the unaudited condensed consolidated results of the Group for the six months ended 30 September 2023, together with the comparative unaudited figures for the corresponding periods in 2022.

### FINANCIAL REVIEW

#### Revenue

Revenue decreased from approximately HK\$18.2 million for the six months ended 30 September 2022 to approximately HK\$16.1 million for the six months ended 30 September 2023, representing a decrease of approximately HK\$2.1 million or approximately 11.5%. The decrease was mainly attributable to a combination of factors, including (i) the increase in revenue from residential project; and (ii) the decrease in revenue from commercial, show flat and sales office projects.

#### Cost of services

Cost of services for the six months ended 30 September 2022 and 2023 amounted to approximately HK\$10.9 million and HK\$9.0 million, respectively, representing a decrease of approximately HK\$1.9 million or approximately 17.6%. The decrease was in line with the decrease in revenue.

#### Gross profit and gross profit margin

For the six months ended 30 September 2023, gross profit amounted to approximately HK\$7.1 million, which decreased by approximately HK\$0.1 million from approximately HK\$7.2 million for the six months ended 30 September 2022. The decrease in gross profit was mainly due to a combination of factors, including (i) decrease in revenue which decreased by approximately HK\$2.1 million and (ii) decrease in cost of services of approximately HK\$1.9 million. Gross profit margin increased from approximately 39.9% for the six months ended 30 September 2022 to approximately 44.0% for the six months ended 30 September 2023.

#### Other net (losses)/income

Other net (losses)/income for the six months ended 30 September 2022 and 2023 amounted to other net income of approximately HK\$16,000 and other net losses of approximately HK\$1.5 million, respectively, representing a significant increase of net losses of approximately HK\$1.5 million. The increase was mainly due to a combination of factors, including (i) government grants for the ESS of approximately HK\$1.1 million received for the six months ended 30 September 2022 but no government grants for the ESS received during the six months ended 30 September 2023; (ii) the increase in fair value loss of financial assets at fair value through profit or loss of approximately HK\$615,000; and (iii) the decrease in net exchange loss of approximately HK\$388,000.

### **Administrative expenses**

Administrative expenses decreased from approximately HK\$9.0 million for the six months ended 30 September 2022 to approximately HK\$7.8 million for the six months ended 30 September 2023, representing a decrease of approximately HK\$1.2 million or approximately 13.6%. The decrease was mainly due to the decrease in legal and professional fees and salaries and allowances during the six months ended 30 September 2023, as compared with the same period last year.

### **Finance costs**

Finance costs, represented interests on lease liabilities. There was no significant change of finance cost for the six months ended 30 September 2023 as compared with the same period last year.

### **Loss before tax**

The Group recorded a loss before tax of approximately HK\$2.2 million for the six months ended 30 September 2023. The Group's loss before tax was mainly attributable to a combination of factors, including (i) the decrease in revenue of approximately HK\$2.1 million; (ii) the decrease in cost of services of approximately HK\$1.9 million; (iii) increase in other net loss of approximately HK\$1.5 million; and (iv) the decrease in administrative expenses of approximately HK\$1.2 million.

### **Income tax expenses**

Income tax expenses increased by approximately HK\$44,000 from approximately HK\$25,000 for the six months ended 30 September 2022 to approximately HK\$69,000 for the six months ended 30 September 2023. Such increase in income tax expenses was mainly due to the increase of profit of major subsidiary for the six months ended 30 September 2023 as compared with the same period last year.

### **Loss for the period**

The Group recorded a loss for the period of approximately HK\$2.3 million for the six months ended 30 September 2023. The Group's loss for the period was mainly attributable to the combined effect of the aforementioned items.

### **Charge over assets of the Group**

As at 30 September 2023, the Group had no charge on assets.

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 30 September 2023, the lease liabilities of the Group was approximately HK\$380,000 (31 March 2023: approximately HK\$577,000).

As at 30 September 2023, the Group had total assets of approximately HK\$56.0 million (31 March 2023: approximately HK\$56.4 million), including cash and cash equivalents of approximately HK\$9.9 million (31 March 2023: approximately HK\$5.1 million).

### **CURRENT RATIO AND GEARING RATIO**

As at 30 September 2023, the Group had a current ratio of approximately 3.2 times (31 March 2023: approximately 3.8 times). Gearing ratio at 30 September 2023 and at 31 March 2023 was not applicable as the Group was in net cash position.

### **CAPITAL COMMITMENTS**

As at 30 September 2023, the Group did not have any material capital commitment (31 March 2023: Nil).

### **CONTINGENT LIABILITIES**

As at 30 September 2023, the Group had no material contingent liabilities (31 March 2023: Nil).

### **CAPITAL STRUCTURE**

As at 30 September 2023, the capital structure of the Company comprised issued share capital and reserves.

## **FOREIGN EXCHANGE RISK**

The Group is mainly exposed to the foreign exchange risk of United States dollars (“**US\$**”), Renminbi (“**RMB**”), Japanese yen and New Taiwan dollars. Under the pegged exchange rate system, the financial impact on exchange difference between HK\$ and US\$ will be immaterial as all US\$ denominated monetary assets and liabilities are held by group entities having HK\$ as their functional currency. For RMB, Japanese yen and New Taiwan dollars, as the amount involved is insignificant, the foreign currency risk arising from RMB, Japanese yen and New Taiwan dollars is immaterial.

## **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 2023.

## **EMPLOYEES**

As at 30 September 2023, the Group had 45 employees (as at 31 March 2023: 52 employees). Total staff costs for the year ended 30 September 2023 amounted to approximately HK\$10.5 million (for the year ended 30 September 2022: approximately HK\$12.8 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.

## **BUSINESS REVIEW AND PROSPECTS**

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.

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.

The Group will remain cautiously attentive over the market conditions given the unpredictable macroeconomic environment across the globe. Despite weakening market sentiment, the Company is of the view that a series of government initiatives, including talent pooling and labor importation, are set to gain momentum to the Hong Kong residential market.

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) continue to recruit talents and enhance internal training to support future growth.

## OTHER INFORMATION

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

As at 30 September 2023, so far as is known to any Directors or chief executive of the Company, the interests or short positions of the Directors and chief executives of the Company in any shares (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 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 or 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 were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

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

Notes:

- (1) "L" represents long position in Shares or underlying Shares of the Company and "S" represents short position in Shares or underlying Shares of the Company.
- (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. 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 2023.

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

As at 30 September 2023, 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 as recorded in the register to be kept by the Company pursuant to Section 336 of the SFO were as follows:

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

Notes:

- (1) "L" represents long position in Shares or underlying Shares of the Company and "S" represents short position in Shares or underlying Shares of the Company.
- (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. 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 2023.

Save as disclosed above, as at 30 September 2023, 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 had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

## **SHARE OPTION SCHEME**

The Company adopted a share option scheme at the annual general meeting of the Company held on 30 July 2012 (the “**Share Option Scheme**”) for the purpose of providing incentives and rewards to the eligible participants who contributed to the growth of the Group which was expired on 29 July 2022.

On 29 July 2022, the Share Option Scheme expired. After the expiration of the Share Option Scheme, no further options can be granted under it. During the six months ended 30 September 2023, no share options were granted, exercised, cancelled, lapsed or forfeited. As at 30 September 2023, there were no outstanding share options.

## **DIRECTORS’ RIGHTS TO ACQUIRE SHARES OF THE COMPANY**

Save as disclosed in this report, at no time during the six months ended 30 September 2023 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 2023.

## **COMPETING INTERESTS OF DIRECTORS**

As at 30 September 2023, none of the Directors, the substantial shareholders of the Company nor any of their respective close associates (as defined under the GEM Listing Rules) had any interest in a business which has or may have significant competition with the business of the Group.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group had no significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 September 2023.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

During the six months ended 30 September 2023, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.



## **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by 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. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the six months ended 30 September 2023.

## **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 15 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.

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 and chief executive officer. The Board believes that vesting the roles of both chairman and chief executive officer 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.

Throughout the six months ended 30 September 2023 and up to the date of this report, other than the deviation from code provision C.2.1, the Company complied with the provisions of the CG Code as set out in Appendix 15 to the GEM Listing Rules.

## **DIVIDEND**

The Board does not recommend a payment of any dividend by the Company for the six months ended 30 September 2023.

## **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 2023 and up to the date of this report.

## **CHANGE IN DIRECTORS' INFORMATION**

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in the information of Directors since 31 March 2023 and up to the date of this report are as follows:

Ms. Lou Yi has resigned as an executive Director and an authorised representative of the Company under Rule 5.24 of the GEM Listing Rules with effect from 24 May 2023.

Except as disclosed above, since 31 March 2023 and up to the date of this report, there were no substantial changes to the Directors' information required to be disclosed pursuant to GEM Listing Rule 17.50A(1).

## **AUDIT COMMITTEE AND REVIEW OF INTERIM RESULTS**

The Group has established an audit committee (the "**Audit Committee**") with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and code provision D.3.3 of the CG Code. The primary duties of the Audit Committee are to oversee the relationship with Company's auditor, review of the Company's financial information and oversee the Company's financial reporting system, risk management and internal control system.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tang Chin Ting, Mr. Lee Man Chun and Ms. Tong Yuk Ying Yannie. The chairman of the Audit Committee is Mr. Tang Chin Ting, who holds the appropriate professional qualifications as required under Rules 5.05(2) and 5.28 of the GEM Listing Rules to serve as the chairman of the Audit Committee.

The interim financial results of the Group for the six months ended 30 September 2023 has not been audited. The Audit Committee has reviewed the unaudited condensed consolidated financial results and interim report of the Group for the six months ended 30 September 2023 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.

By order of the Board

**Hephaestus Holdings Limited**

**Huang Liang**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 10 November 2023

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