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AESO HOLDING LIMITED

艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR
THE THREE MONTHS ENDED 30 JUNE 2021**

The board (the “**Board**”) of directors (the “**Directors**”) of Aeso Holding Limited (the “**Company**”) announces the unaudited condensed consolidated quarterly results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2021. This announcement, containing the full text of the 2021 First Quarterly Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to information to accompany preliminary announcement of first quarterly results.

For and on behalf of
Aeso Holding Limited
Chan Siu Chung
Chairman

Hong Kong, 13 August 2021

As at the date of this announcement, the Board comprises Mr. Chan Siu Chung, Mr. Cheung Hiu Tung and Mr. Zhang Hai Wei as Executive Directors, and Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki as Independent Non-Executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, include 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, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) 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 GEM website at www.hkgem.com for a minimum period of seven days from the date of the publication and on the website of the Company at www.aeso.hk.

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“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 (“**Directors**”) of Aeso Holding Limited (“**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (“**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 in this report misleading.*

FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited results of the Company and its subsidiaries (collectively, the “**Group**”) for the three months ended 30 June 2021 (the “**Period**”), together with the unaudited comparative figures for the corresponding period in 2020, as follows:

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

For the three months ended 30 June 2021

		Three months ended 30 June	
	Notes	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	4	40,831	24,618
Cost of services		(36,297)	(23,432)
Gross profit		4,534	1,186
Other income	5	11	42
Change in fair value of financial assets at fair value through profit or loss		62	77
Administrative expenses		(5,323)	(3,980)
Finance costs	6	(70)	(721)
Loss before taxation	7	(786)	(3,396)
Taxation	8	–	–
Loss and total comprehensive loss for the period		(786)	(3,396)
Loss per share attributable to equity holders of the Company			
Basic and diluted (HK cents)	10	(0.10)	(1.70)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Share capital	Share premium	Share option reserve	Other reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2021 (audited)	62,400	39,615	4,182	1,000	(87,772)	19,425
Loss and total comprehensive loss for the Period	-	-	-	-	(786)	(786)
As at 30 June 2021 (unaudited)	62,400	39,615	4,182	1,000	(88,558)	18,639
At 1 April 2020 (audited)	15,600	40,201	4,182	1,000	(82,118)	(21,135)
Loss and total comprehensive loss for the Period	-	-	-	-	(3,396)	(3,396)
As at 30 June 2020 (unaudited)	15,600	40,201	4,182	1,000	(85,514)	(24,531)

1. CORPORATE INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law of the Cayman Islands on 10 December 2015. The address of the Company's registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands and its principal place of business is 18th Floor, The Pemberton, 22-26 Bonham Strand, Sheung Wan, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the premise enhancement solution service in Hong Kong by providing contracting service for (i) the internal fitting-out work of newly built commercial premises and residential developments, and (ii) the renovation (including alteration and addition) work for existing commercial premises.

The unaudited condensed consolidated financial statements have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

The unaudited quarterly financial statements of the Group for the three months ended 30 June 2021 are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSS**"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASS**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure requirements under the GEM Listing Rules. The unaudited quarterly financial statements should be read in conjunction with the annual report for the year ended 31 March 2021.

The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2021. The adoption of the new/revised HKFRSS that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for the current and prior periods.

3. SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

(i) **Fitting-out work for new projects ("Fitting-out Projects")**

Provision of fitting-out work for construction of newly built commercial premises and residential developments either as a main contractor or subcontractor.

(ii) **Renovation work and alteration and addition work for old projects ("Renovation Projects")**

Provision of renovation work and alteration and addition work for existing commercial premises as a main contractor.

No geographical information is presented as the Group's revenue are all derived from Hong Kong based on the location of services delivered.

4. REVENUE

An analysis of the Group's revenue recognised during the three months ended 30 June 2021 and 2020 is as follows:

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Disaggregation of revenue from contracts with customers		
Fitting-out projects	40,831	24,027
Renovation projects	–	591
Revenue recognised over time	40,831	24,618

5. OTHER INCOME

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Sundry income	–	32
Interest income	11	10
	11	42

6. FINANCE COSTS

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on:		
Other borrowings	–	597
Bank borrowings	55	95
Lease liabilities	15	29
	70	721

7. LOSS BEFORE TAXATION

	Three months ended 30 June	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Loss before taxation has been arrived at after charging:		
Directors' emolument	894	889
Other staff costs:		
Salaries and other allowances	3,752	2,897
Retirement benefit scheme contributions	139	109
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Total staff costs	4,785	3,895
Less: amounts included in cost of services	(1,568)	(2,146)
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	3,217	1,749
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Auditors' remuneration	158	195
Depreciation of property, plant and equipment	72	71
Depreciation of right-of-use assets	641	678
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8. TAXATION

No provision for Hong Kong Profit Tax has been made as the Group had no assessable profit during the three months ended 30 June 2021 and 2020.

9. DIVIDENDS

The Board of directors do not recommend the payment of any dividend for the Period (three months ended 30 June 2020: Nil).

10. LOSS PER SHARE

	Three months ended 30 June	
	2021	2020
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Loss:		
Loss for the purpose of calculating basic loss per share	(786)	(3,396)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	800,000,000	200,000,000

The basic and diluted loss per share are the same for the three months ended 30 June 2021 and 2020 as the effect of the Group's share option were anti-dilutive.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Company is an investment holding company and the shares of the Company (the “**Shares**”) were listed on GEM of the Stock Exchange on 13 January 2017 by way of placing. The Company’s subsidiaries are principally engaged in the provision of fitting-out work for construction of newly built commercial premises and residential developments and renovation (including alteration and addition) work for existing commercial premises in Hong Kong. As a contracting service provider which offers high quality and value-added services to cater for our clients’ specification and satisfaction, the Group received continuing support from our customers over the years. We have also built up reputation which attract many new customers.

During the Period, the Company submitted tenders amounting to approximately HK\$1,191.8 million (three months ended 30 June 2020: approximately HK\$709.0 million and 3 projects were awarded amounting to approximately HK\$6.6 million (three months ended 30 June 2020: approximately HK\$111.3 million), which include a fitting-out project for a residential development at Lam Tin with contract sum of approximately HK\$4.5 million. Most of the tenders are invited by the stable and long-term clients, including leading listed property developers in Hong Kong, based on their trust to our Company and some are from sizable developers from the PRC.

It is expected that the large amount of tenders awarded during the Period enables the Group to have strong and stable source of revenue in the forthcoming financial years. The Directors will deploy more resources to satisfy the capital needs for performing the projects and will consider different alternatives to raise additional funds if and when the need arises.

Financial Review

Revenue

The Group's overall revenue increased from approximately HK\$24.6 million for the three months ended 30 June 2020 to approximately HK\$40.8 million for the Period, representing an increase of approximately 65.9%. The increase in revenue is mainly contributed by the relatively larger amount of tenders awarded during the year ended 31 March 2021 (amounting to approximately HK\$412.5 million) as compared to the amount of tenders awarded during the year ended 31 March 2020 (amounting to approximately HK\$184.4 million).

All the revenue for the Period was derived from fitting-out projects, represented an increase of approximately 69.9% from approximately HK\$24.0 million for the same period in 2020.

Cost of Services

The Group's direct cost increased from approximately HK\$23.4 million for the three months ended 30 June 2020 to approximately HK\$36.3 million for the Period, representing an increase of approximately 54.9%. The increase was in line with the increase in revenue.

Gross Profit

The Group's gross profit amounted to approximately HK\$4.5 million and HK\$1.2 million for the three months ended 30 June 2021 and 2020 respectively, representing an increase of approximately 282.3%.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$5.3 million and approximately HK\$4.0 million for the three months ended 30 June 2021 and 2020 respectively, representing an increase of approximately 33.7%. Such increase was mainly due to the increase in staff costs for administrative staff for the Period.

Loss Attributable to the owners of the Company

As a result of the aforesaid, the loss attributable to the owners of the Company was approximately HK\$0.8 million and approximately HK\$3.4 million for the three months ended 30 June 2021 and 2020 respectively.

Prospect and Outlook

The competitive strengths of the Company, such as (i) an established track record in the market with stable and long-term client relationships with the major clients that include listed property developers; (ii) strong and stable relationships with the major suppliers and subcontractors; (iii) integrated project execution for contracting services; and (iv) a strong and experienced management team with proven track record, continuously contribute to the success of the Group.

The Group will continue focusing on the opportunities in renovation works and fitting out works in Hong Kong, especially fitting-out projects for residential development and commercial premises. Since 1 April 2021 and up to the date of this report, the Group was awarded with one fitting-out project with contract sum of approximately HK\$4.5 million and several renovation project with total contract sum of approximately HK\$6.6 million. The Boards will keep to tender new fitting-out projects and renovation projects including those Mainland China based property developers which are currently very active in new property development in Hong Kong.

However, the outbreak of COVID-19 pandemic in Hong Kong since early 2020 are the major uncertainties about the economic growth in coming years which our management will pay more attention. Besides, the productivity of our materials suppliers in mainland China and Europe may be affected by the aforesaid reason which may in turn affect the progress of our on-going projects, our management was closely communicating with those suppliers to minimise our operating risks.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests of the Directors of the Company in shares, underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by the Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Long positions in shares and underlying shares of the Company

Name	Capacity	Number of ordinary Shares held	Approximate percentage of the issued share capital of the Company as at 30 June 2021
Chan Siu Chung	Beneficial owner	108,838,709	13.60%
Cheung Hiu Tung – share options	Beneficial owner	2,838,709	0.35%
Zhang Hai Wei – share options	Beneficial owner	2,838,709	0.35%

Mr. Chan held 106,000,000 Shares through Acropolis Limited in which Mr. Chan is the sole Director and shareholder. Also, Mr. Chan held 2,838,709 share options of the Company directly.

Save as disclosed above, none of the Directors and chief executive of the Company had any interests or short position in the shares, underlying shares or debentures of the Company or its associated corporation as at 30 June 2021.

SUBSTANTIAL SHAREHOLDERS AND OTHERS' INTERESTS IN THE SHARES OF THE COMPANY

As at 30 June 2021, so far as are known to any Directors of the Company, no person (other than the Directors or chief executive of the Company) had interests in the shares or underlying shares of the Company accounting to a substantial shareholder as recorded in the register required to be kept pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

A share option scheme of the Company (the "Share Option Scheme") was adopted in Company's annual general meeting on 30 September 2019.

Details of the options outstanding for the Period are as follows:

Grantees	Date of grant	No. of shares comprised in options			As at 30 June 2021	Exercise price per share	
		As at 1 April 2021	Granted	Exercised			Lapsed
Executive director							
Chan Siu Chung	15 November 2019	2,838,709	-	-	-	2,838,709	HK\$0.3135
Cheung Hiu Tung	15 November 2019	2,838,709	-	-	-	2,838,709	HK\$0.3135
Zhang Hai Wei	15 November 2019	2,838,709	-	-	-	2,838,709	HK\$0.3135
Other employees	15 November 2019	19,870,970	-	-	5,677,420	14,193,550	HK\$0.3135
	Total	28,387,097	-	-	5,677,420	22,709,677	

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted procedures governing Directors' securities transactions 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.

The Directors during the three months ended 30 June 2021 were Mr. Chan Siu Chung, Mr. Cheung Hiu Tung, Mr. Zhang Hai Wei, Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki. The Company has made specific enquiries and all Directors have confirmed that they have complied with the required standards of dealings set out in the GEM Listing Rules during the Period.

MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any Director or any person under the full-time employment of the Company, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or the substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) had any interest in the business that competed or might compete or was likely to compete, either directly or indirectly, with the business of the Group during the Period.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the articles of association of the Company or the laws of Cayman which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

EVENTS AFTER THE REPORTING PERIOD

Up to the date of this report, there is no significant events occurred after the Period.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasise a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Company believes that its accountability and transparency will be improved thereby instilling confidence to the shareholders of the Company and the public. Throughout the three months ended 30 June 2020, the Company has complied with the code provisions in the Corporate Governance Code ("**CG Code**") set out in Appendix 15 to the GEM Listing Rules except for the following deviations:

Provision A.2.1 of the CG Code

Under provision A.2.1 of the CG Code, the role of the Chairman and the Chief Executive Officer should be performed by separate individuals. Mr. Chan Siu Chung is the Chairman who provides leadership for the Board. Mr. Chan Siu Chung as the Chairman ensures that all directors are properly briefed on issues arising at board meetings, and receive adequate information, both complete and reliable, in a timely manner. The executive directors of the Company collectively oversee the overall management of the Group in each of their specialized executive fields, which fulfils the function of Chief Executive Officer in substance. Therefore, the Company currently has not appointed its Chief Executive Officer to avoid the duplication of duties.

AUDIT AND RISK MANAGEMENT COMMITTEE

As at the date of this report, the Audit and Risk Management Committee was chaired by Mr. Yeung Chun Yue, David, an independent non-executive Director and the other members include Ms. Lai Wing Sze and Ms. Yu Wan Ki, all being independent non-executive Directors of the Company.

The Audit and Risk Management Committee's primary duties include ensuring that the Company's financial statements, annual, interim and quarterly reports and the auditor's report present a true and balanced assessment of the Company's and the Group's financial position; reviewing the Company's and the Group's financial control, internal control and risk management systems; and reviewing the Company's financial and accounting policies and practices. Other duties of the Audit and Risk Management Committee are set out in its specific terms of reference which are posted on the websites of the Company and of the Stock Exchange. The Audit and Risk Management Committee is provided with sufficient resources enabling it to discharge its duties.

The Audit and Risk Management Committee reviewed the Group's accounting principles, practices and compliance and financial report matters including the review of the unaudited condensed consolidated financial statements for the three months ended 30 June 2021.

For and on behalf of
Aeso Holding Limited
Chan Siu Chung
Chairman

Hong Kong, 13 August 2021

As at the date of this report, the Board comprises Mr. Chan Siu Chung, Mr. Cheung Hiu Tung and Mr. Zhang Hai Wei as Executive Directors, Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki as Independent Non-Executive Directors.