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aeso

AESO HOLDING LIMITED

艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORTS AND CHANGE IN USE OF PROCEEDS

References are made to (i) the annual report of Aeso Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2019 (the “**2019 Annual Report**”) and (ii) the annual report of the Company for the year ended 31 March 2020 (the “**2020 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the 2019 Annual Report and the 2020 Annual Report.

2019 ANNUAL REPORT – USE OF PROCEEDS OBTAINED FROM PLACING

In addition to the information disclosed in the 2019 Annual Report, the board (the “**Board**”) of directors of the Company would like to provide the following supplemental information to the paragraph headed “Use of proceeds obtained from the Placing” under the section “Chairman’s Statement & Management Discussion and Analysis”.

The Board would also like to announce that the Board has resolved to change the use of the remaining unutilised net proceeds of approximately HK\$4.9 million. Details of the utilisation of the net proceeds from the Listing Date up to 31 March 2019, the expected timeline for the intended use of the unutilised net proceeds after the change in use of proceeds are as follows:

	Adjusted use of net proceeds in the same manner and in the same proportion as stated in the Prospectus <i>HK\$ million</i>	Actual use of net proceeds from the Listing Date up to 31 March 2018 <i>HK\$ million</i>	Actual use of net proceeds from the Listing Date up to 31 March 2019 <i>HK\$ million</i>	Reallocation in use of proceeds as at the date of this announcement <i>HK\$ million</i>	New allocation for unutilised amount of net proceeds <i>HK\$ million</i>	Expected timeline for fully utilising the remaining proceeds (taking into account of the new allocation) <i>(Note)</i>
Further developing the Group's contracting business	22.8	22.8	22.8	–	–	
Acquisition of premises in Hong Kong	5.7	0.8	0.8	(4.9)	–	
Expansion of the Hong Kong office	1.7	1.3	1.7	–	–	
Decoration of the Hong Kong office	1.9	1.9	1.9	–	–	
Purchase of motor vehicles	1.2	1.2	1.2	–	–	
Further strengthening the Group's in house team	3.2	3.2	3.2	–	–	
General working capital	4.1	4.1	4.1	4.9	4.9	End of 2020
Total	<u>40.6</u>	<u>35.3</u>	<u>35.7</u>	<u>–</u>	<u>4.9</u>	

Note: The expected timeline for utilising the remaining proceeds was based on the best estimation of the future market conditions made by the Group. It would be subject to change based on the current and future development of market conditions.

The reasons for the change in use of proceeds are explained in the section “Reasons for the change in use of proceeds” of this announcement.

2020 ANNUAL REPORT – USE OF PROCEEDS OBTAINED FROM PLACING

In addition to the information disclosed in the 2020 Annual Report, the Board would like to provide the following supplemental information to the paragraph headed “Use of proceeds obtained from the Placing” under the section “Chairman’s Statement & Management Discussion and Analysis”.

Details of the utilisation of the net proceeds from the Listing Date up to 31 March 2020, the expected timeline for the intended use of the unutilised net proceeds after the change in use of proceeds are as follows:

	Adjusted use of net proceeds in the same manner and in the same proportion as stated in the Prospectus <i>HK\$ million</i>	Actual use of net proceeds from the Listing Date up to 31 March 2019 <i>HK\$ million</i>	Actual use of net proceeds from the Listing Date up to 31 March 2020 <i>HK\$ million</i>	Reallocation in use of proceeds as at the date of this announcement <i>HK\$ million</i>	New allocation for unutilised amount of net proceeds <i>HK\$ million</i>	Expected timeline for fully utilising the remaining proceeds (taking into account of the new allocation) <i>(Note)</i>
Further developing the Group's contracting business	22.8	22.8	22.8	–	–	
Acquisition of premises in Hong Kong	5.7	0.8	0.8	(4.9)	–	
Expansion of the Hong Kong office	1.7	1.7	1.7	–	–	
Decoration of the Hong Kong office	1.9	1.9	1.9	–	–	
Purchase of motor vehicles	1.2	1.2	1.2	–	–	
Further strengthening the Group's in house team	3.2	3.2	3.2	–	–	
General working capital	4.1	4.1	4.1	4.9	4.9	End of 2020
Total	40.6	35.7	35.7	–	4.9	

Note: The expected timeline for utilising the remaining proceeds was based on the best estimation of the future market conditions made by the Group. It would be subject to change based on the current and future development of market conditions.

The reasons for the change in use of proceeds are explained in the section “Reasons for the change in use of proceeds” of this announcement.

REASONS FOR THE CHANGE IN USE OF PROCEEDS

The unutilised amount of net proceeds of approximately HK\$4.9 million was originally intended to be used for acquisition of showroom and warehouse in Hong Kong for operating needs and storage purpose. Up to the date of this announcement, the Group is unable to identify suitable premises with favorable offer for the use as showroom and warehouse. The Board expected that the unutilised amount of net proceeds will not be utilised as intended in short term.

The impact of COVID-19 pandemic has created unprecedented challenges for all businesses in 2020. The Board considered that with no signs that the COVID-19 might end soon. As at the date of this announcement, the COVID-19 pandemic still remains very prevalent and even getting worse than that of the date of the 2020 Annual Report. Moreover, prolonged precautionary and quarantine control measures were in effect in Hong Kong in which retail business are the most affected. In light of the aforesaid, the Board considered that the acquisition of showroom and warehouse will no longer be necessary and in the interest of the Group.

To mitigate such potential impact of COVID-19 pandemic, the Board considered that it is necessary for the Group to maintain sufficient working capital in preparation of any market upheaval. In view of the circumstances, the Board has resolved to allocate approximately HK\$4.9 million out of the unutilised net proceeds originally allocated for the acquisition of premises in Hong Kong to general working capital of the Group. The Board considers that the proposed change in use of proceeds is in the best interest of the Company and its shareholders as a whole and that it will allow the Group to deploy its financial resources more effectively.

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

Hong Kong, 13 August 2020

As at the date of this announcement, the Board comprises Mr. Chan Siu Chung, Mr. Cheung Hiu Tung and 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.