



**aeso**  
**AESO HOLDING LIMITED**  
**艾碩控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8341)**

**FIRST**  
**QUARTERLY REPORT**  
**2022**



## 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 2022 (the “**Period**”), together with the unaudited comparative figures for the corresponding period in 2021, as follows:

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

*For the three months ended 30 June 2022*

	Notes	Three months ended 30 June	
		2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Revenue	4	53,598	40,831
Cost of services		(46,455)	(36,297)
Gross profit		7,143	4,534
Other income, gain/(loss), net	5	(20)	11
Change in fair value of financial assets at fair value through profit or loss		63	62
Administrative expenses		(5,699)	(5,323)
Finance costs	6	(204)	(70)
Profit/(loss) before taxation	7	1,283	(786)
Taxation	8	–	–
Profit/(loss) and total comprehensive income/(loss) for the period		1,283	(786)
			(Restated)
Earnings/(loss) per share attributable to equity holders of the Company			
Basic (HK cents)	10	1.60	(0.98)
Diluted (HK cents)	10	1.57	N/A

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2022

	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 2022 (audited)	62,400	39,615	3,595	1,000	(78,502)	28,108
Profit and total comprehensive income for the Period	-	-	-	-	1,283	1,283
<b>As at 30 June 2022 (unaudited)</b>	<b>62,400</b>	<b>39,615</b>	<b>3,595</b>	<b>1,000</b>	<b>(77,219)</b>	<b>29,391</b>
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

## 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 work as well as 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 2022 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 2022.

The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2022. 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 2022 and 2021 is as follows:

	<b>Three months ended 30 June</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>Disaggregation of revenue from contracts with customers</b>		
Fitting-out projects	<b>47,943</b>	40,831
Renovation projects	<b>5,655</b>	–
Revenue recognised over time	<b>53,598</b>	40,831

## 5. OTHER INCOME, GAIN/(LOSS), NET

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Government grant	16	–
Interest income	–	11
Loss on disposal of fixed assets	(36)	–
	<b>(20)</b>	<b>11</b>

## 6. FINANCE COSTS

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Interest on:		
Bank borrowings	167	55
Lease liabilities	37	15
	<b>204</b>	<b>70</b>

## 7. PROFIT/(LOSS) BEFORE TAXATION

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Profit/(loss) before taxation has been arrived at after charging:		
Directors' emolument	704	894
Other staff costs:		
Salaries and other allowances	5,611	3,752
Retirement benefit scheme contributions	124	139
Total staff costs	6,439	4,785
Less: amounts included in cost of services	(2,699)	(1,568)
	3,740	3,217
Auditor's remuneration	–	158
Depreciation of property, plant and equipment	23	72
Depreciation of right-of-use assets	558	641

## 8. TAXATION

No provision for Hong Kong Profit Tax has been made as the Group did not generate any assessable profit arising in Hong Kong or has sufficient tax losses brought forward to set off against assessable profit during the three months ended 30 June 2022 and 2021.



## 9. DIVIDENDS

The Board of directors do not recommend the payment of any dividend for the Period (three months ended 30 June 2021: Nil).

## 10. PROFIT/(LOSS) PER SHARE

	Three months ended 30 June	
	2022 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)
Earnings/(loss):		
Profit/(loss) for the purpose of calculating basic earnings/(loss) per share	1,283	(786)
		(Restated)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share	80,000,000	80,000,000
Effect of dilutive potential ordinary share arising from share option	4,205,200	2,271,000
Weighted average number of shares that would have been issued at average market prices	(2,324,400)	(1,181,000)
Weighted average number of ordinary shares for the purpose of diluted earnings per share	81,880,800	81,090,000

The basic and diluted loss per share are the same for the three months ended 30 June 2022 and 2021 as the effect of the Group's share option were anti-dilutive.

## MANAGEMENT DISCUSS 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\$686.3 million (three months ended 30 June 2021: approximately HK\$1,191.8 million) and no project was awarded (three months ended 30 June 2021: 3 projects were awarded amounting to approximately HK\$6.6 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 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\$40.8 million for the three months ended 30 June 2021 to approximately HK\$53.6 million for the Period, representing an increase of approximately 31.4%. The increase in revenue was mainly due to a relatively larger amounts of tenders awarded in recent year and it led that more contract revenue was recognised during the Period as compared to the corresponding period in 2021.

The revenue for the Fitting out Projects for the three months ended 30 June 2022 was approximately HK\$47.9 million, represented an increase of approximately 17.4% from approximately HK\$40.8 million for the same period in 2021.

The revenue for the Renovation Projects for the three months ended 30 June 2022 was approximately HK\$5.7 million and there was no revenue for the Renovation Projects for the same period in 2021.

### Cost of Services

The Group's direct cost increased from approximately HK\$36.3 million for the three months ended 30 June 2021 to approximately HK\$46.5 million for the Period, representing an increase of approximately 28.1%. The increase was in line with the increase in revenue.

### Gross Profit

The gross profit amounted to approximately HK\$7.1 million and approximately HK\$4.5 million for the three months ended 30 June 2022 and 2021 respectively, representing an increase of approximately 57.8%.

## **Administrative Expenses**

The Group's administrative expenses amounted to approximately HK\$5.7 million and approximately HK\$5.3 million for the three months ended 30 June 2022 and 2021 respectively, representing an increase of approximately 7.5%. Such increase was mainly due to the increase in staff costs for administrative staffs for the Period.

## **Profit/(loss) attributable to the owners of the Company**

As a result of the aforesaid, the profit attributable to the owners of the Company was approximately HK\$1.3 million for the three months ended 30 June 2022 as compared to the loss attributable to the owners of the Company of approximately HK\$786,000 for the corresponding period in 2021. Such increase was mainly due to the significant increase in gross profit during the Period.

## **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 commercial premises and residential development.

The revenue of the Group grows rapidly in recent year as there was a relatively larger amounts of tenders awarded in recent year. With the large volume of the new tenders awarded, the unrecognised contract revenue was approximately HK\$280.2 million as at 30 June 2022, which was mainly contributed on the fitting-out projects for commercial and residential development from leading listed property developers in Hong Kong and sizable developers from the PRC. The Management believed that the Group have to increase the manpower and the budget control of construction costs through fund raising activities to enlarge the size of the Group in coming future for purpose to handle the construction projects from large volume of the new tenders awarded as mentioned above.

The Board will keep to tender new fitting out and renovation projects. In view of the expected growth of the construction industry in Hong Kong driven by the Hong Kong Government's initiatives to increase the land supply for private housing as well as commercial buildings by Northern Metropolis Development, the Company is still confident about the prospect of the fitting-out and renovation contracting services in Hong Kong.

## **DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 30 June 2022, 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**

<b>Name</b>	<b>Capacity</b>	<b>Number of ordinary Shares held</b>	<b>Approximate percentage of the issued share capital of the Company as at 30 June 2022</b>
Chan Siu Chung	Beneficial owner	11,283,870	14.10%
Zhang Hai Wei – share options	Beneficial owner	1,083,870	1.35%
Cheung Hiu Tung – share options	Beneficial owner	283,870	0.35%

Mr. Chan held 10,600,000 Shares through Acropolis Limited in which Mr. Chan is the sole Director and shareholder. Also, Mr. Chan held 683,870 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 2022.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During the Period, none of the Directors (including their spouses and children under the age of 18) had any interest in or was granted any right to subscribe for the shares in, or debentures of, the Company or its associated corporations, or had exercised any such right.

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

As at 30 June 2022, 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				Outstanding before Share Consolidation (Note)	Outstanding as at 30 June 2022	Exercise price per share
		As at 1 April 2022	Granted	Exercised	Lapsed			
<b>Executive directors</b>								
Chan Siu Chung	15 November 2019	2,838,709	-	-	-	2,838,709	283,870	HK\$3.135
	12 July 2021	4,000,000	-	-	-	4,000,000	400,000	US\$0.1
Cheung Hiu Tung	15 November 2019	2,838,709	-	-	-	2,838,709	283,870	HK\$3.135
Zhang Hai Wei	15 November 2019	2,838,709	-	-	-	2,838,709	283,870	HK\$3.135
	12 July 2021	8,000,000	-	-	-	8,000,000	800,000	US\$0.1
<b>Other employees</b>								
	15 November 2019	14,193,550	-	-	-	14,193,550	1,419,355	HK\$3.135
	12 July 2021	8,000,000	-	-	-	8,000,000	800,000	US\$0.1
	Total	42,709,677	-	-	-	42,709,677	4,270,965	

During the year ended 31 March 2022, the Company implemented the share consolidation of every ten shares of par value of US\$0.01 each into one Consolidated Share of par value of US\$0.1 each (“Share Consolidation”). The Share Consolidation were effective from 7 April 2022. Pursuant to the terms and conditions of the Share Option Scheme, the exercise price and the number of the outstanding share options granted under the Share Option Scheme have been adjusted accordingly with effect from 7 April 2022.

## **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 Period 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 emphasis 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 Period, 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:

### **Provisions 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 oversees 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 2022.

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

Hong Kong, 12 August 2022

*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.*