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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)

**THIRD QUARTERLY RESULTS ANNOUNCEMENT
FOR THE NINE MONTHS ENDED 31 DECEMBER 2016**

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

*This announcement, for which the directors (the “**Directors**”) of Aeso Holding Limited (the “**Company**”) 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 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.*

FINANCIAL HIGHLIGHTS

For the nine months ended 31 December 2016 (the “**Period**”):

- Revenue of the Group was approximately HK\$81.2 million, representing a decrease by approximately 34% as compared to the corresponding period in 2015.
- Loss attributable to owners of the Company was approximately HK\$8.3 million (2015: profit of approximately HK\$12.7 million). Excluding the one-off non-recurring listing expenses of approximately HK\$8.7 million recorded for the Period, the profit attributable to owners of the Company would have been approximately HK\$0.4 million for the Period.
- The Board does not recommend the payment of dividend for the Period.
- Loss per share of the Company was approximately HK5.61 cent (2015: earnings per share of approximately HK16.65 cent).

FINANCIAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited results of the Company and its subsidiaries (collectively the “**Group**”) for the Period, together with the unaudited comparative figures for the corresponding period in 2015, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Notes</i>	Three months ended		Nine months ended	
		31 December		31 December	
		2016	2015	2016	2015
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	4	39,029	61,379	81,157	122,885
Cost of services		<u>(32,106)</u>	<u>(48,060)</u>	<u>(67,812)</u>	<u>(98,937)</u>
Gross profit		6,923	13,319	13,345	23,948
Other income	5	3	3	10	10
Administrative expenses		(4,365)	(2,619)	(21,691)	(8,149)
Finance costs	6	<u>(28)</u>	<u>(163)</u>	<u>(129)</u>	<u>(557)</u>
Profit (loss) before taxation	7	2,533	10,539	(8,465)	15,252
Income tax (expense)/credit	8	<u>–</u>	<u>(1,739)</u>	<u>158</u>	<u>(2,517)</u>
Profit (loss) and total comprehensive income (expense) for the Period		<u>2,533</u>	<u>8,800</u>	<u>(8,307)</u>	<u>12,736</u>
Basic and diluted earnings (losses) per share (HK cent)	10	<u>1.7</u>	<u>11.5</u>	<u>(5.61)</u>	<u>16.65</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2016

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Retained earnings <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2016 (Audited)	40	–	1,000	22,379	23,419
Loss and total comprehensive expense for the Period	–	–	–	(8,307)	(8,307)
Issue of shares	38	19,875	–	–	19,913
At 31 December 2016 (Unaudited)	<u>78</u>	<u>19,875</u>	<u>1,000</u>	<u>14,072</u>	<u>35,025</u>
At 1 April 2015 (Audited)	1,000	–	–	15,446	16,446
Profit and total comprehensive income recognised for the Period	–	–	–	12,736	12,736
At 31 December 2015 (Unaudited)	<u>1,000</u>	<u>–</u>	<u>–</u>	<u>28,182</u>	<u>29,182</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL 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 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands and its principal place of business is 18th Floor, The Pemberton, 22-26 Bonham Strand, Sheung Wan, Hong Kong. The Company's shares are listed on GEM since 13 January 2017 (the "**Listing Date**").

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.

Pursuant to the reorganisation of the Group in connection with the listing of the shares of the Company on GEM, the Company became the holding company of the Group on 8 April 2016. Details of the reorganisation were set out in the paragraph headed "History, Development and Reorganisation — Reorganisation" of the prospectus of the Company dated 30 December 2016 (the "**Prospectus**").

The 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 nine months ended 31 December 2016 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 2016 as set out in the Prospectus.

The accounting policies adopted are consistent with those set out in the annual financial statements for the year ended 31 March 2016. 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 existing 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 Period is as follows:

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue				
Fitting-out Projects	15,085	20,531	26,374	42,388
Renovation Projects	23,944	40,848	54,783	80,497
Total	39,029	61,379	81,157	122,885

5. OTHER INCOME

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Bank interest income	3	3	10	10

6. FINANCE COSTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest on:				
Bank borrowings	–	49	16	118
Bank overdrafts	11	77	18	340
Finance lease	–	5	–	15
Advance drawn on account receivables factored with recourse	17	32	95	84
Total	28	163	129	557

7. PROFIT/(LOSS) BEFORE TAXATION

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit (loss) before tax has been arrived at after charging:				
Directors' emolument	985	649	3,206	1,873
Other staff costs:				
Salaries and other allowances	3,106	1,803	8,670	6,747
Retirement benefit scheme contribution	117	88	328	281
Total staff costs	4,208	2,540	12,204	8,901
Less: amounts included in cost of services	(2,473)	(1,504)	(5,996)	(5,031)
	<u>1,735</u>	<u>1,036</u>	<u>6,208</u>	<u>3,870</u>
Auditors' remuneration	300	300	900	800
Depreciation of property, plant and equipment	102	198	225	591
Operating lease rentals in respect of rental premises	531	268	1,440	801

8. INCOME TAX EXPENSE/(CREDIT)

	Three months ended		Nine months ended	
	31 December		31 December	
	2016	2015	2016	2015
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong Profits Tax	<u>-</u>	<u>1,739</u>	<u>(158)</u>	<u>2,517</u>

Hong Kong Profits Tax has been provided at the rate of 16.5% on the estimated assessable profits for the Period (2015: 16.5%).

9. DIVIDEND

The Board does not recommend a payment of a dividend for the Period (2015: Nil).

10. EARNINGS PER SHARE

The calculation of the basic earnings per share amount is based on the respective profit attributable to equity holders of the Company, and the weighted average numbers of Company's ordinary shares of 148,129,091 (2015: 76,500,000) in issue during the Period.

The number of ordinary shares for the purpose of calculating basic earnings per share has been retrospectively adjusted for the capitalisation issue as if the shares had been in issue throughout both periods.

There were no potentially dilutive ordinary shares in issue during the Period, and therefore the diluted earnings per share amount is equivalent to the basic earnings per share.

The calculations of basic and diluted earnings per share are based on:

	Three months ended		Nine months ended	
	31 December 2016 (Unaudited)	2015 (Unaudited)	31 December 2016 (Unaudited)	2015 (Unaudited)
Profit (Loss) attributable to owners of the Company (HK\$'000)	2,533	8,800	(8,307)	12,736
Weighted average number of ordinary shares in issue	148,129,091	76,500,000	148,129,091	76,500,000
Basic and diluted earnings (losses) per share	<u>1.7</u>	<u>11.5</u>	<u>(5.61)</u>	<u>16.65</u>

11. COMMITMENTS

Commitments under operating leases

At 31 December 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	At 31 December 2016 HK\$'000 (Unaudited)	At 31 March 2016 HK\$'000 (Audited)
Within one year	1,988	941
In the second to fifth year inclusive	<u>3,593</u>	<u>16</u>
	<u>5,581</u>	<u>957</u>

12. EVENT AFTER REPORTING PERIOD

The shares of the Company (the "Shares") was listed on GEM on 13 January 2017 by way of placing of 50,000,000 Shares.

Save as disclosed above, the Group had no significant events after the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

The Company is an investment holding company. 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.

During the Period, the Group has been awarded seven new contracts, which include (i) a Fitting-out Project of typical flats in Western District with contract sum of approximately HK\$34.6 million; (ii) a Renovation Project of a commercial building in Jordan with contract sum of approximately HK\$51.0 million; (iii) a Fitting-out Project for a residential development in Kowloon City with contract sum of approximately HK\$0.8 million; (iv) a Renovation Project of a grade A office (information center) in Central with contract sum of approximately HK\$3.4 million; (v) a Fitting-out Project for office building in Quarry Bay with contract sum of approximately HK\$2.6 million; (vi) a Fitting-out Project for a residential development in Wan Chai with contract sum of approximately HK\$40.8 million; and (vii) a Renovation Project of a grade A office in Central with contract sum of approximately HK\$15.7 million. The Group has completed one of these new contracts and has already commenced work for the remaining new contracts up to the date of this announcement. The expected gross profit margins for these seven new contracts are similar or higher than the overall gross profit margins for the years ended 31 March 2015 and 2016.

All of the above mentioned projects are under our control. Due to successful implementation of the cost saving measures in the project mentioned in (vii) above, it was expected that the gross profit margin will be higher than expected.

The Group will continue focusing on the opportunities in renovation works and fitting-out works in Hong Kong, especially the Kai Tak Development (i.e. Kai Tak Outline Zoning Plan) which is a redevelopment of the former Kai Tak Airport area to a complex with a mix of community, housing, business, tourism and infrastructural uses. The Group has strengthened its capacity by completing the Fitting-out Project for a residential development in Kowloon City under project mentioned in (iii) above which proved our ability and provided a track record and job reference for Kai Tak Development scheme.

Financial Review

Revenue

The Group's overall revenue decreased from approximately HK\$122.9 million for the nine months ended 31 December 2015 to approximately HK\$81.2 million for the Period, representing a decrease of approximately 34%. Such decrease was mainly due to delay in certification of certain payment applications by our customers or delay in site construction caused by the project's main contractor.

The revenue for the Fitting-out Projects for the Period was approximately HK\$26.4 million, represented a decrease of 37.7% from approximately HK\$42.4 million for the same period in 2015. The decrease was mainly due to delay in site construction caused by the project's main contractor of a project with a contract sum of HK\$61.7 million.

The revenue for the Renovation Projects for the Period was approximately HK\$54.8 million, represented a decrease of 31.9% from approximately HK\$80.5 million for the same period in 2015. The decrease was also due to delay in certification of certain payment applications by customers.

Cost of Services

The Group's direct cost decreased from approximately HK\$98.9 million for the nine months ended 31 December 2015 to approximately HK\$67.8 million for the Period, representing a decrease of approximately 31.5%. Such decrease was in line with the drop of revenue.

Gross Profit

The Group's gross profit amounted to approximately HK\$13.3 million and HK\$23.9 million for the nine months ended 31 December 2016 and 2015 respectively, representing a decrease of approximately 44.3%. Such decrease was in line with the drop of revenue.

Other Income

The Group's other income amounted to approximately HK\$10,000 and HK\$10,000 for the nine months ended 31 December 2016 and 2015 respectively, representing bank interest income earned from the bank deposits during the Period.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$21.7 million and HK\$8.1 million for the nine months ended 31 December 2016 and 2015 respectively, representing an increase of approximately 195.2%. Such increase was primarily due to the listing expenses of approximately HK\$8.7 million incurred during the Period.

Finance Costs

For the nine months ended 31 December 2016 and 2015, the Group's finance costs amounted to approximately HK\$129,000 and HK\$557,000 respectively, representing a decrease of approximately 76.9%.

Income Tax Expense

For the nine months ended 31 December 2016 and 2015, the Group's income tax expense amounted to approximately HK\$(0.2) million and HK\$2.5 million respectively, representing a decrease of approximately 106.3%.

Profit/(Loss) for the Period

As a result of the aforesaid, the profit and total comprehensive income attributable to owners of the Company decreased from approximately HK\$12.7 million for the nine months ended 31 December 2015 to loss of approximately HK\$8.3 million for the Period, representing a decrease of approximately HK\$21.0 million. Excluding the listing expenses of approximately HK\$8.7 million, the profit for the Period of the Group would have been approximately HK\$0.4 million and the decrease of profit would be approximately 96.7% as compared to the same period in 2015.

Dividend

The Board did not recommend a payment of dividend for the Period (2015: Nil).

Liquidity and Financial Resources

As at 31 December 2016 and 31 March 2016 the Group had pledged bank deposits of approximately HK\$2 million. These bank deposits were pledged to secure the factoring facilities granted to the Group.

As at 31 December 2016, the Group had pledged a bank deposit of approximately HK\$6.2 million which was interest-free in nature. Such bank deposit were pledged to secure the surety bond issued to a customer.

Except for the above, the bank balances and cash as at 31 December 2016 were approximately HK\$2 million (31 March 2016 : approximately HK\$9.6 million) and a overdrawn bank balances of HK\$6.7 million.

Gearing Ratio

The gearing ratio of the Group as at 31 December 2016 was approximately 0.2 times (31 March 2016: approximately 0.2 times), which remained low as the Group was not in need of any material debt financing during the Period. The gearing ratio is calculated as total borrowings divided by total equity as at the respective periods.

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

Pledge of Assets

As at 31 December 2016, the Group had pledged bank deposits of approximately HK\$2 million (31 March 2016: approximately HK\$2 million) to secure the banking facilities granted to the Group. Save for the above, the Group did not have any charges on its assets.

Capital Structure

The Shares of the Company were listed on the GEM on 13 January 2017. There has been no change in capital structure of the Company since 13 January 2017. The capital of the Company comprises ordinary shares and other reserves.

Capital Commitment

As at 31 December 2016, the Group did not have any capital commitment.

Employees and Remuneration policies

As at 31 December 2016, the Group had a total of 32 employees (31 March 2016: 31 employees). Total staff costs amounted to approximately HK\$12.2 million for the Period, as compared to approximately HK\$8.9 million for the same period in 2015. The remuneration package offered by the Group to its employees includes basic salary, bonuses and mandatory provident fund. The Group determines the salary of its employees mainly based on each employee's qualifications, relevant experience, position and seniority. The Group conducts annual review on salary raises, bonuses and promotions based on the performance of each employee.

Corporate Governance Code

The Company's corporate governance code are based on the principles of the Corporate Governance Code as set out in Appendix 15 of the GEM Listing Rules. The Company is committed to ensure a quality board and transparency and accountability to shareholders. The Corporate Governance Code provision A.2.1 stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual. Mr. Chan Siu Chung ("**Mr. Chan**") serves as the chairman and also acts as chief executive officer of the Company, which constitutes a deviation from the code provision A.2.1.

In view of Mr. Chan being the founder of the Group and has been operating and managing Aeso Limited, the main operating subsidiary of the Company since its incorporation, the Board believes that it is in the best interest of the Group to have Mr. Chan taking up both roles for effective management and business development. Further, the Board believes that both positions require in-depth knowledge and considerable experience of the Group's business and Mr. Chan is the most suitable person to occupy both positions for effective management of the Group and facilitating the implementation and execution of the Group's business strategy. Therefore, the Directors consider that the deviation from code provision A.2.1 of the Corporate Governance Code is appropriate in such circumstance and the vesting of the roles of chairman of the Board and chief executive officer in Mr. Chan can preserve the strong and consistent leadership culture of the Group and allow efficient discharge of the executive functions of the chief executive and that the current management has been effective in the development of the Group. The Directors also believe that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and professional individuals including three independent non-executive Directors and two non-executive Directors. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

Code of Conduct Regarding Director's Securities Transactions

The Company has adopted a code of conduct regarding Director's 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. Having been made a specific enquiry by the Company, each of the Directors confirmed that he had complied with such code of conduct and the required standard of dealings regarding securities transactions throughout the period from the Listing Date to the date of this announcement.

Directors' and Chief Executives' Interests in Shares, Underlying Shares and Debentures

As at the date of this announcement, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which were required 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 (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Name of shareholder	Nature of interest	Number of Shares held	Percentage of shareholding in the Company's issued share capital
Mr. Chan	Interest in controlled corporation (<i>Note 1</i>)	76,500,000	38.25%

Note:

1. Mr. Chan beneficially owns 100% of the issued share capital of Acropolis Limited (“**Acropolis**”). By virtue of the SFO, Mr. Chan is deemed to be interested in 76,500,000 Shares held by Acropolis.

Save as disclosed above, as at the date of this announcement, none of the Directors nor chief executive of the Company has registered an interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

Substantial Shareholders’ Interests and Short Positions in Shares and Underlying Shares

So far as the Directors are aware, as at the date of this announcement, the following persons (not being Directors or chief executive of the Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO:

Name of shareholders	Nature of interests	Number of Shares held	Percentage of shareholding in the Company’s issued share capital
Acropolis (<i>Note 1</i>)	Beneficial owner	76,500,000	38.25%
W&Q Investment Limited (“ W&Q Investment ”)	Beneficial owner	73,500,000	36.75%
Mr. Liu Chang Kien (“ Mr. Liu ”) (<i>Note 2</i>)	Interest in controlled corporation	73,500,000	36.75%

Notes:

- (1) Mr. Chan directly owns 100% of Acropolis, which in turn holds approximately 38.25% of the issued share capital of the Company. Mr. Chan is deemed, or taken to be interested in, all the Shares held by Acropolis for the purpose of the SFO.
- (2) Mr. Liu directly owns 100% of W&Q Investment, which in turn hold approximately 36.75% of the issued share capital of the Company. Mr. Liu is deemed, or taken to be interested in, all the shares held by W&Q Investment for the purpose of the SFO.

Save as disclosed above, as at the date of this announcement, the Directors were not aware of any other persons or corporations who had any interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which would be recorded in the register required to be kept under Section 336 of the SFO, and/or who are directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SECURITIES OR DEBENTURE

At no time during the Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in the Company or any other body corporate.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Save for the listing of the Shares on GEM on 13 January 2017, the Company did not redeem any of its listed Shares, nor did the Company or any of its subsidiaries purchase or sell any such Shares during the Period.

DIRECTORS' INTERESTS IN COMPETING INTERESTS

During the Period, none of the Directors or the controlling shareholders or substantial shareholders (as defined in the GEM Listing Rules) of the Company or their respective close associates (as defined in the GEM Listing Rules) were considered to have any interests in a business which competed or was likely to compete, either directly or indirectly, with the business of the Group and/or caused, or was likely to cause any other conflicts of interest with the Group, as required to be disclosed under Rule 11.04 of the GEM Listing Rules.

INTEREST OF COMPLIANCE ADVISER

As notified by the Company's compliance adviser, Anglo Chinese Corporate Finance Limited (the "**Compliance Adviser**"), as at 31 December 2016, except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 27 June 2016, the Compliance Adviser nor its directors, employees or close associates had any interests in relation to the Company, which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Company has set up an audit and risk management committee (the “**ARM Committee**”) on 22 December 2016 with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and the Corporate Governance Code. The duties of the ARM Committee are to review relationship with the Company’s external auditors, review the Company’s financial information and oversee the Company’s financial reporting system, risk management and internal control systems. The ARM Committee comprises the three independent non-executive Directors, namely Mr. Or Chun Man, who is the chairman of the ARM Committee, Mr. Lee Chi Chung and Mr. Leung Ka Kui, Johnny. The unaudited condensed consolidated financial statements of the Group for the Period have been reviewed by the ARM Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards, the GEM Listing Rules and legal requirements, and adequate disclosures have been made.

By order of the Board
Aeso Holding Limited
Chan Siu Chung

Executive Director and Chairman

Hong Kong, 27 January 2017

As at the date of this announcement, the executive directors of the Company are Mr. Chan Siu Chung and Mr. Cheung Hiu Tung; the non-executive directors of the Company are Miss Zhang Qi and Mr. Law Wing Kit; and the independent non-executive directors of the Company are Mr. Lee Chi Chung, Mr. Or Chun Man and Mr. Leung Ka Kui, Johnny.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for a minimum period of seven days from the date of its publication and on the website of the Company at www.aeso.hk.