



aeso
AESO HOLDING LIMITED
艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

INTERIM
REPORT
2023



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

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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 of the Stock Exchange (“**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.*

FINANCIAL HIGHLIGHTS

For the six months ended 30 September 2023 (the “**Period**”):

- Revenue of the Group was approximately HK\$117.0 million, representing an increase by approximately 0.3% as compared to the corresponding period in 2022.
- Profit for the Period attributable to the owners of the Company was approximately HK\$4.3 million (2022: HK\$3.7 million).
- The board of Directors do not recommend the payment of any dividend for the Period.
- Earnings per share of the Company was approximately HK\$5.34 cents (2022: HK\$4.60 cents).

The board of Directors (the “**Board**”) of the Company is pleased to announce the unaudited results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the Period, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

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

For the three months and six months ended 30 September 2023

	Note	Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	65,122	63,100	117,029	116,698
Cost of services		(54,936)	(54,079)	(98,817)	(100,534)
Gross profit		10,186	9,021	18,212	16,164
Other income, gain/(loss), net	4	5	1,107	7	1,087
Allowance for expected credit losses (“ECL”)		(16)	(61)	(16)	(61)
Change in fair value of financial assets at fair value through profit or loss		(327)	62	(325)	125
Administrative expenses		(5,846)	(7,400)	(12,271)	(13,099)
Profit from operations		4,002	2,729	5,607	4,216
Finance costs	5	(837)	(336)	(1,332)	(540)
Profit before tax	6	3,165	2,393	4,275	3,676
Income tax	7	-	-	-	-
Profit and total comprehensive income for the period		3,165	2,393	4,275	3,676
Earnings per share	9				
Basic (HK cents)		3.96	2.99	5.34	4.60
Diluted (HK cents)		3.96	2.90	5.34	4.46

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the six months ended 30 September 2023

	Note	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current assets			
Property, plant and equipment		541	619
Right-of-use assets		3,985	5,133
		4,526	5,752
Current assets			
Account and other receivables	10	14,131	30,507
Contract assets		83,862	60,953
Financial assets at fair value through profit or loss		14,117	10,662
Pledged bank deposits		907	5,904
Bank and cash balances		9,767	6,249
		122,784	114,275
Current liabilities			
Account and other payables	11	36,589	35,367
Contract liabilities		14,784	6,952
Bank borrowings		29,879	34,780
Lease liabilities		2,315	2,304
		83,567	79,403
Net current assets		39,217	34,872
Total assets less current liabilities		43,743	40,624

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

For the six months ended 30 September 2023

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Non-current liabilities		
Lease liabilities	1,740	2,896
Net assets	42,003	37,728
Capital and reserves		
Share capital	6,240	6,240
Reserves	35,763	31,488
Total equity	42,003	37,728

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Share capital HK\$'000	Share premium HK\$'000	Distributable reserve HK\$'000	Share option reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2023 (Audited)	6,240	39,615	56,160	1,879	1,000	(67,166)	37,728
Profit and total comprehensive income for the Period	-	-	-	-	-	4,275	4,275
At 30 September 2023 (Unaudited)	6,240	39,615	56,160	1,879	1,000	(62,891)	42,003
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	-	-	-	-	-	3,676	3,676
Share option granted	-	-	-	1,359	-	-	1,359
At 30 September 2022 (Unaudited)	62,400	39,615	-	4,954	1,000	(74,826)	33,143

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Net cash inflow/(outflow) in respect of operating activities	9,675	(2,572)
Net cash inflow/(outflow) in respect of investing activities	1,221	(64)
Net cash (outflow)/inflow in respect of financing activities	(7,378)	1,138
Net increase/(decrease) in cash and cash equivalents	3,518	(1,498)
Cash and cash equivalents at beginning of period	6,249	7,756
Cash and cash equivalents at end of period	9,767	6,258
Analysis of cash and cash equivalents		
Bank and cash balances	9,767	6,258

1. CORPORATE INFORMATION

Aeso Holding Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands on 10 December 2015. The address of its registered office is 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The principal place of business of the Company is 18/F., 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 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 interim financial statements of the Group for the six months ended 30 September 2023 are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

These unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards (“**HKAS**”) 34 Interim Financial Reporting, issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements under the GEM Listing Rules. The unaudited interim condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 March 2023.

The accounting policies adopted in this unaudited condensed consolidated financial statements are consistent with those set out in the annual financial statements for the year ended 31 March 2023. 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. REVENUE AND SEGMENT INFORMATION

An analysis of the Group's revenue recognised during the three months and six months ended 30 September 2023 and 2022 are as follows:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Disaggregation of revenue from contracts with customers within the scope of HKFRS 15				
Fitting-out projects	25,983	55,410	67,690	103,374
Renovation projects	39,139	7,690	49,339	13,324
Revenue recognised over time	65,122	63,100	117,029	116,698

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

(i) Fitting-out work for construction ("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.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(ii) Renovation work and alteration and addition work (“Renovation Projects”)

Provision of renovation (including alteration and addition) work for existing commercial premises.

For the three months ended 30 September 2023

	Fitting- out Projects HK\$'000 (Unaudited)	Renovation Projects HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue			
Segment revenue	25,983	39,139	65,122
Segment (loss)/profit	(259)	10,445	10,186
Unallocated income			5
Allowance for ECL			(16)
Change in fair value of financial assets at fair value through profit or loss			(327)
Unallocated expenses			(6,683)
Profit before tax			3,165

For the three months ended 30 September 2022

	Fitting- out Projects HK\$'000 (Unaudited)	Renovation Projects HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue			
Segment revenue	55,410	7,690	63,100
Segment profit	7,889	1,132	9,021
Unallocated income			1,107
Allowance for ECL			(61)
Change in fair value of financial assets at fair value through profit or loss			62
Unallocated expenses			(7,736)
Profit before tax			2,393

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(ii) Renovation work and alteration and addition work (“Renovation Projects”) (continued)

For the six months ended 30 September 2023

	Fitting- out Projects HK\$'000 (Unaudited)	Renovation Projects HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue			
Segment revenue	67,690	49,339	117,029
Segment profit	5,936	12,276	18,212
Unallocated income			7
Allowance for ECL			(16)
Change in fair value of financial assets at fair value through profit or loss			(325)
Unallocated expenses			(13,603)
Profit before tax			4,275

For the six months ended 30 September 2022

	Fitting- out Projects HK\$'000 (Unaudited)	Renovation Projects HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue			
Segment revenue	103,374	13,324	116,698
Segment profit	15,196	968	16,164
Unallocated income			1,087
Allowance for ECL			(61)
Change in fair value of financial assets at fair value through profit or loss			125
Unallocated expenses			(13,639)
Profit before tax			3,676

Segment profit represents the profit from each segment before tax without allocation of other income, gain/(loss), net, change in fair value of financial assets at fair value through profit or loss, administrative expenses, allowance for ECL and finance costs.

3. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information

The Group's revenue is all derived from operations in Hong Kong and the Group's non-current assets are all located in Hong Kong.

Information about major customers

Revenue from customers who have individually contributed over 10% or more of the Group's total revenue are as follows:

		Three months ended 30 September		Six months ended 30 September	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Customer 1	Renovation Projects	N/A	1,720	N/A	1,747
Customer 1	Fitting-out Projects	9,523	20,644	17,432	38,270
Customer 2	Fitting-out Projects	N/A	6,930	N/A	–
Customer 3	Fitting-out Projects	N/A	14,375	N/A	34,071
Customer 3	Renovation Projects	N/A	117	N/A	117
Customer 4	Fitting-out Projects	11,907	12,819	40,886	18,224
Customer 5	Renovation Projects	46,468	N/A	46,468	N/A

4. OTHER INCOME, GAIN/(LOSS), NET

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest income	5	–	7	–
Loss on disposal of property, plant and equipment	–	–	–	(36)
Government grant	–	1,080	–	1,080
Sundry income	–	27	–	43
	5	1,107	7	1,087

5. FINANCE COSTS

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Interest on:				
Bank borrowings	820	302	1,285	469
Lease liabilities	17	34	47	71
	837	336	1,332	540

6. PROFIT BEFORE TAX

Profit before tax for the period has been arrived at after charging/(crediting) the following:

	Three months ended 30 September		Six months ended 30 September	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Directors' emolument	703	975	1,407	1,679
Other staff costs:				
Salaries and other allowances	4,388	6,535	8,973	12,146
Discretionary bonus	139	-	562	-
Retirement benefit scheme contributions	110	116	225	240
Total staff costs	5,340	7,626	11,167	14,065
Less: amounts included in cost of services	(1,843)	(2,663)	(3,999)	(5,362)
Staff costs included in administrative expenses	3,497	4,963	7,168	8,703
Auditor's remuneration	100	100	200	200
Depreciation of property, plant and equipment	40	24	81	47
Depreciation of right-of-use assets	574	559	1,148	1,117

7. INCOME TAX

No provision for Hong Kong Profit Tax has been made as the Group has sufficient tax losses brought forward to set off against assessable profit during the six months and three months ended 30 September 2023 and 2022.

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the Period (2022: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the three months and six months ended 30 September 2023 is based on a profit for the Period attributable to the owners of the Company of approximately HK\$3,165,000 and HK\$4,275,000, and the weighted average number of 80,000,000 ordinary shares in issue during the Period.

The calculation of basic earnings per share for the three months and six months ended 30 September 2022 was based on a profit for the period attributable to the owners of the Company of approximately HK\$2,393,000 and HK\$3,676,000, and the weighted average number of 80,000,000 ordinary shares.

(b) Diluted earnings per share

For the three months and six months ended 30 September 2023, no adjustment has been made to the basic earnings per share presented in respect of dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share presented.

9. EARNINGS PER SHARE (CONTINUED)

(b) Diluted earnings per share (continued)

The calculation of diluted earnings per share for the three months and six months ended 30 September 2022 was based on the following:

	Three months ended 30 September 2022 HK\$'000 (Unaudited)	Six months ended 30 September 2022 HK\$'000 (Unaudited)
Earnings:		
Profit for the purpose of calculating basic earnings per share	2,393	3,676
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	80,000,000	80,000,000
Effect of dilutive potential ordinary share arising from share option	4,810,000	4,810,200
Weighted average number of shares that would have been issued at average market price	(2,311,000)	(2,382,700)
Weighted average number of ordinary shares for the purpose of diluted earnings per share	82,499,000	82,427,500

10. ACCOUNT AND OTHER RECEIVABLES

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Account receivables	17,596	33,953
Less: allowance for ECL	(4,652)	(4,705)
	12,944	29,248
Other receivables, deposits and prepayments		
– Rental and utility deposits	898	843
– Prepayment	218	345
– Other receivables	71	71
	1,187	1,259
Total accounts and other receivables	14,131	30,507

Aging of account receivables

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Within 30 days	10,452	21,365
31 to 60 days	2,492	7,036
61 to 120 days	–	847
121 to 365 days	–	–
Over 365 days	–	–
	12,944	29,248

11. ACCOUNT AND OTHER PAYABLES

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Account payables	8,734	8,282
Accruals	3,382	4,110
Deposits received	8,000	8,000
Retention payables	16,473	14,975
	36,589	35,367

The average credit period on account payables is 30 days. The aging analysis of the account payables based on invoice dates at the end of each reporting period is as follows:

	As at 30 September 2023 HK\$'000 (Unaudited)	As at 31 March 2023 HK\$'000 (Audited)
Within 30 days	8,734	8,282

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\$925.3 million (six months ended 30 September 2022: approximately HK\$1,120.5 million) and a project was awarded amounting to approximately HK\$28.7 million (six months ended 30 September 2021: 5 projects were awarded amounting to approximately HK\$182.5 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 tender 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\$116.7 million for the six months ended 30 September 2022 to approximately HK\$117.0 million for the Period, representing an increase of approximately 0.3%.

The revenue for the Fitting out Projects for the six months ended 30 September 2023 was approximately HK\$67.7 million, represented a decrease of approximately 34.5% from approximately HK\$103.4 million for the same period in 2022.

The revenue for the Renovation Projects for the six months ended 30 September 2023 was approximately HK\$49.3 million, represented an increase of approximately 270.7% from approximately HK\$13.3 million for the same period in 2022.

Cost of Services

The Group's direct cost decreased from approximately HK\$100.5 million for the six months ended 30 September 2022 to approximately HK\$98.8 million for the Period, representing a decrease of approximately 1.7%.

Gross Profit

The gross profit amounted to approximately HK\$18.2 million and approximately HK\$16.2 million for the six months ended 30 September 2023 and 2022 respectively, representing an increase of approximately 12.3% during the Period as compared to the corresponding period in 2022.

Administrative Expenses

The Group's administrative expenses amounted to approximately HK\$12.3 million and approximately HK\$13.1 million for the six months ended 30 September 2023 and 2022 respectively, representing a decrease of approximately 6.1%. Such decrease was mainly due to the decreased 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 for the six months ended 30 September 2023 and 2022 were approximately HK\$4.3 million and approximately HK\$3.7 million respectively. 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 Management expects a new customer base from government sector in the future and hope to expand to our business in this sector as the potential is increasing due to land supply for public sector is expected to be further increased in coming future.

The revenue of the Group grows rapidly in recent years as there was a relatively larger amounts of tenders awarded in recent years. With the large volume of the new tenders awarded, the unrecognised contract revenue was approximately HK\$266.3 million as at 30 September 2023, 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 Group may be increased the manpower and the budget control of construction cost through fund arising activities to enlarge the size of the Group in coming future for purpose to handle to the construction projects from large volume of the new tenders awarded including the new sector of business from government body.

Looking forward, our management team stays cautiously optimistic in regards to the prospects of fitting-out and renovation projects. In the view of the expected growth of the construction industry in Hong Kong driven by the government's plan to invest in transport infrastructure and the house sector to address connectivity issue. The Group will keep to tender new fitting-out and renovation projects in Hong Kong and committed in creating long-term and sustainable value to our shareholder and society.

Liquidity and Financial Resources

The Group's operation and investments were financed principally by cash generated from its business operations and bank borrowings. As at 30 September 2023, the Group had net current assets of approximately HK\$39.2 million (31 March 2023: net current assets of approximately HK\$34.9 million), net assets of approximately HK\$42.0 million (31 March 2023: net assets of approximately HK\$37.8 million), bank balances and cash of approximately HK\$9.8 million (31 March 2023: approximately HK\$6.2 million) and pledged bank deposit of approximately HK\$0.9 million (31 March 2023: approximately HK\$5.9 million).

Treasury Policy

The Group has adopted a prudent financial management approach towards its treasury policies. 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

Certain cash deposits of the Group of approximately HK\$0.9 million as at 30 September 2023 (31 March 2023: approximately HK\$5.9 million) are charged to secure general banking facilities.

Capital Commitments

As at 30 September 2023, the Group did not have any material capital commitment.

Capital Structure

There has been no change in capital structure of the Company since 30 September 2023.

Significant Investments

As at 30 September 2023, there was no significant investment held by the Group (31 March 2023: Nil).

Acquisitions and Disposals of Subsidiaries

The Group did not have any acquisitions or disposals of subsidiaries and affiliated companies during the Period.

Foreign Exchange Exposure

The Group's business operations were conducted in Hong Kong and the transactions, monetary assets and liabilities of the Group were denominated in Hong Kong dollars and United States dollars. As at 30 September 2023, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

Employees and Remuneration Policy

As at 30 September 2023, the Group had 41 employees. The remuneration policy of the employees of the Group was set up by the Board on the basis of their experience, qualifications and competence. Other employees' benefits include contributions to statutory mandatory provident funds, and housing allowance to its employees in Hong Kong.

A remuneration committee was set up for, inter alia, reviewing the Group's remuneration policy and structure for all Directors and senior management of the Group.

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

As at 30 September 2023, 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 September 2023
Chan Siu Chung	Beneficial owner	11,800,000	14.75%
Zhang Hai Wei – share options	Beneficial owner	800,000	1.00%
Cheung Hiu Tung – share options	Beneficial owner	800,000	1.00%

Mr. Chan held 10,600,000 Shares through Acropolis Limited in which Mr. Chan is the sole Director and shareholder. Also, Mr. Chan held 1,200,000 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 September 2023.

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 September 2023, 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

The Company has adopted the share option scheme on 30 September 2019 (the **"Share Option Scheme"**). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

Details of the Share Option Scheme are as follows:

1. Purposes

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

2. Eligible participants

The eligible participants include any employee, any Directors, any suppliers, any customers, any person or entity that provides research, development or other technological support, any Shareholder, any adviser or consultant of the Company, any of its subsidiaries or any entity in which the Group holds an equity interest, and any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of the Group.

3. Total number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the total number of Shares in issue as at 30 September 2021, being the date of approval of the refreshment of 10% general scheme limit under the Share Option Scheme by the Shareholders (i.e. 8,000,000 Shares, representing approximately 10% of the total number of 80,000,000 Shares in issue as at 30 September 2021 and the completion of the Share Consolidation as at 7 April 2022).

There is no Shares available for issue under the Share Option Scheme as at the date of the 2023/2024 Interim Report as the 8,000,000 Shares mentioned above has been granted to certain eligible participants as at 15 August 2022. Details of the grant of share option was disclosed in the announcement of the Company dated 15 August 2022.

4. Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue for the time being (the “**Individual Limit**”). Any further grant of options to a participant in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in the general meeting of the Company with such participant and his/her associates abstaining from voting.

Any grant of Options under the Share Option Scheme to a Director, chief executive or substantial shareholder of the Company or any of its respective associates must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed grantee of the Options).

Where any grant of options to a substantial Shareholder or an independent non-executive Director (the “**INED**”) or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options must be approved by the Shareholders.

5. Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on 30 September 2019, being the date of adoption of the Share Option Scheme, to 29 September 2029.

6. Time of acceptance of the offer

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

7. Minimum period for which an option must be held before it can be exercised

There is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee.

8. Consideration for the option

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

9. Subscription price for Shares

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Director, but shall not be less than the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of the grant; and (c) the nominal value of a Share.

10. Transfer or assignment

An option is personal to the grantee and shall not be transferable or assignable.

11. Termination of the Share Option Scheme

The Company may by resolution in the general meeting at any time terminate the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

On 15 August 2022, 8,000,000 options were granted under the Share Option Scheme and the options were vested immediately at the date of grant. The closing price of the Company's shares immediately before the grant date was HK\$0.41 per Share. The fair value of the share options granted to Mr. Chan Siu Chung and Mr. Cheung Hiu Tung, the executive directors of the Company, were HKD191,789 and HKD191,789 respectively and the fair value of the share options granted to the class of other employees of the Company was HKD975,382. The fair value of the share options granted on 15 August 2022 was determined at the date of grant using the binominal model.

For the share options outstanding as at 1 April 2023 and 30 September 2023, all of the options were vested immediately at the date of grant.

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

Grantees	Date of grant	No. of shares comprised in options				Outstanding as at 30 September 2023	Exercise price per share
		As at 1 April 2023	Granted	Exercised	Lapsed		
Executive directors							
Chan Siu Chung	12 July 2021	400,000	-	-	-	400,000	US\$0.1
	15 August 2022	800,000	-	-	-	800,000	HK\$0.447
Cheung Hiu Tung	15 August 2022	800,000	-	-	-	800,000	HK\$0.447
Zhang Hai Wei	12 July 2021	800,000	-	-	-	800,000	US\$0.1
Other employees							
	12 July 2021	800,000	-	-	-	800,000	US\$0.1
	15 August 2022	6,400,000	-	-	-	6,400,000	HK\$0.447
	Total	10,000,000	-	-	-	10,000,000	

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 emphasize 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 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 six months ended 30 September 2023.

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

Hong Kong, 14 November 2023

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.