AESO HOLDING LIMITED
艾碩控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8341)

Executive Directors:
Mr. Chan Siu Chung
Mr. Cheung Hiu Tung
Mr. Zhang Hai Wei

Independent non-executive Directors:
Mr. Yeung Chun Yue, David
Ms. Lai Wing Sze
Ms. Yu Wan Ki

Registered office:
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Principal place of business in Hong Kong:
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Sheung Wan
Hong Kong

20 October 2025

To: the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders

Dear Sir or Madam,

PROPOSED RIGHTS ISSUE ON THE BASIS OF TWO RIGHTS SHARES FOR EVERY ONE EXISTING SHARE HELD ON THE RECORD DATE AND NOTICE OF EGM

INTRODUCTION

Reference is made to the Announcements, in relation to, among other matters, the Rights Issue. On 4 September 2025, the Company proposed to raise up to approximately HK$17.6 million on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date by issuing 160,000,000 Rights Shares at the Subscription Price of HK$0.110 per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Subscription Price is payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The purpose of this circular is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

PROPOSED RIGHTS ISSUE

The Board proposed to raise up to approximately HK$17.6 million on the basis of two (2) Rights Shares for every one (1) Share held on the Record Date by issuing 160,000,000 Rights Shares at the Subscription Price of HK$0.110 per Rights Share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date).

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	:	Two (2) Rights Shares for every one (1) Share held at the close of business on the Record Date
Subscription Price	:	HK$0.110 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	80,000,000 Shares
Number of Rights Shares	:	Up to 160,000,000 Rights Shares with an aggregate nominal value of US$1.6 million, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date
Number of issued shares of the Company upon completion of the Rights Issue	:	Up to 240,000,000 Shares, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date
Gross proceeds to be raised	:	Up to approximately HK$17.6 million before expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date

Net proceeds to be raised	:	Up to approximately HK$16.4 million after expenses, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the Record Date

The Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 200.00% of the Company's issued share capital as at the Latest Practicable Date and approximately 66.7% of the Company's issued share capital as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before completion of the Rights Issue.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There will be no excess application arrangements in relation to the Rights Issue as stipulated under GEM Listing Rule 10.31(1)(a) of the GEM Listing Rules. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders, which do not include any Rights Shares to be provisionally allotted to Mr. Chan for which subscription of Rights Shares will be subject to the Shareholder Irrevocable Undertaking as set out in the section headed "The Shareholder Irrevocable Undertaking" in this circular, will be placed to independent placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or ES Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which (i) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) does not cause the Company failing to meet the public float requirement under Rule 11.23(7) of the GEM Listing Rules.

The Shareholder Irrevocable Undertaking

As at the Latest Practicable date, Mr. Chan is beneficially interested in 10,600,000 Shares, representing approximately 13.25% of the existing issued share capital of the Company. Pursuant to the Shareholder Irrevocable Undertaking, Mr. Chan has provided irrevocable undertakings to the Company, among other things, (i) to take up all of the assured entitlements to the Rights Shares in respect of Shares beneficially owned by him as at the date of the Shareholder Irrevocable Undertaking pursuant to the terms of the Rights Issue provided that the total number of Rights Shares to be subscribed by Mr. Chan under the Rights Issue will be scaled down to the extent that Mr. Chan will not trigger a general offer obligation in accordance to the note to Rule 10.26(2) of the GEM Listing Rules; and (ii) Mr. Chan will not dispose of or transfer any interests in the Company (including Shares) from the date of the Shareholder Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Save for the Shareholder Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any other substantial shareholders (as defined in the GEM Listing Rules) of the Company of their intention in relation to the Rights Shares to be allotted to them as at the Latest Practicable Date.

Subscription Price

The Subscription Price for the Rights Shares is HK$0.110 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(a) a discount of approximately 28.57% to the closing price of HK$0.154 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(b) a discount of approximately 25.7% to the closing price of HK$0.148 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 10.35% to the theoretical ex-rights price of approximately HK$0.1227 per Share based on the closing price of HK$0.148 per Share as quoted on the Stock Exchange on the Last Trading Day;

(d) a discount of approximately 23.1% to the average of the closing prices of approximately HK$0.143 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;

(e) a discount of approximately 26.0% to the average of the closing prices of approximately HK$0.1486 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;

(f) a discount of approximately 83.0% to the audited net asset value per Share as at 31 March 2025 of approximately HK$0.6468; and

(g) theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) represented by a discount of approximately 17.12%, based on the theoretical diluted price of approximately HK$0.1227 per Share to the benchmarked price of approximately HK$0.148 per Share, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days prior to the Last Trading Day.

The Subscription Price was determined by the Company taking into account, among other things, (i) the recent market price of the Shares that fluctuated at between HK$0.136 per Share and HK$0.194 per Share since August 2025 and up to the date of the First Announcement; (ii) the price performance of the Shares was not generally in line with the growth of the prevailing market conditions and the aforesaid recent price range of the Shares is still relatively low when comparing with the Share price since the listing of the Company (which means the Share price has underperformed and larger discount is required to attract investors to participate in the Rights Issue); (iii) the average discount of the subscription price to the closing price on the respective last trading day as disclosed by 17 companies listed on the Stock Exchange (the "**Comparable Cases**" as listed below) in recent rights issue in the market of around 25% (which is comparable to the Rights Issue); and (iv) the amount of funds and capital needs and the reasons for the Rights Issue as discussed in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in this circular. All Qualifying Shareholders are entitled to subscribe for the Rights Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date so as to maintain their proportionate interests in the Company and participate in the future growth of the Group.

Company (stock code)	Date of prospectus	Premium/(discount) of the subscription price over/to the closing price per share on the respective last trading day of rights issue	Theoretical dilution effect
Graphex Group Limited (6128)	8 April 2025	(32.00%)	24.00%
Pacific Legend group Limited (8547)	8 April 2025	(13.79%)	4.60%
Yues International Holdings Group Limited (1529)	8 April 2025	(7.14%)	21.47%
China Baoli Technologies Holdings Limited (164)	2 May 2025	6.67%	0.00%
ISP Holdings Limited (2340)	6 May 2025	(74.50%)	24.85%
Volcano Spring International Holdings Limited (1715)	14 May 2025	47.06%	0.00%
C Cheng Holdings Limited (1486)	21 May 2025	(67.21%)	22.40%
Good Fella Healthcare Holdings Limited (8143)	22 May 2025	(12.28%)	10.94%
Melco International Development Limited (200)	26 May 2025	(72.93%)	24.31%
SEEC Media Group Limited (205)	2 Jun 2025	(14.06%)	6.87%
Shougang Century Holdings Limited (103)	3 Jun 2025	12.30%	0.00%
China Sci-Tech Industrial Investment Group Limited (339)	9 Jun 2025	(43.10%)	16.20%
Yuzhou Group Holdings Company Limited (1628)	23 Jun 2025	(73.68%)	24.23%
Xinming China Holdings Limited (2699)	23 Jun 2025	(13.80%)	16.90%
Global Strategic Group Limited (8007)	25 Jun 2025	(12.50%)	11.30%
Memestrategy, INC. (2440)	4 July 2025	(49.70%)	16.60%
Greenheart Group Limited (94)	7 July 2025	(9.25%)	3.00%
		(25.29%)	16.20%
		Average	Median

Although the Subscription Price appears to be at a substantial discount to net asset value per Share as at 31 March 2025, the Board considers that it is not the most relevant benchmark to assess the Subscription Price as (i) substantial portion (around two-third) of the Company's total assets is contract assets which do not have open market for public to assess the fair value and are not practicably transferable like cash, deposits, properties and investments that are commonly considered in asset approach valuation; and (ii) closing prices of the Shares have been generally at significant discount to the net asset value per Share in the open market ranging from approximately 57.5% to 78.5% after the financial year ended 31 March 2023 which indicates that the market has already imputed a significant discount on the price of the Shares to the Company's net asset value making it a less relevant benchmark for pricing the Rights Issue. Given the recent market price of the Shares have already reflected the valuation and expectation of the investors to the Company, the Board considers that recent market price of the Shares to be relevant for our assessment to the fairness and reasonableness of the Subscription Price.

In view of the basis of determination of the Subscription Price mentioned above and the imminent need of capital for the purposes as detailed in the section headed "REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS" in this circular, the Board considers that it is necessary to set the Rights Issue on a 2-to-1 ratio in order to raise sufficient equity capital. As the theoretical dilution effect is resulted from the basis of entitlement (i.e. the number of Rights Shares available for subscription.) and the discount of the Subscription Price to the benchmarked price, the Board has also reviewed the theoretical dilution effect in the Comparable Cases immediately before the day of the First Announcement and noted that the theoretical dilution effect of the Rights Issue of approximately 17.12% is within the range of the Comparable Cases from nil to approximately 24.85% but slightly above the median of approximately 16.20% for the Comparable Cases. Given such theoretical dilution effect is necessitated by the Company's funding needs and below 25% as required under the GEM Listing Rules, the Board considers that it is justifiable even slightly above the market median.

The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 11.23(7) of the GEM Listing Rules.

Based on the above, the Directors (including the members of the Independent Board Committee whose opinion will be set forth in the circular of the Company after having been advised by the Independent Financial Adviser) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil paid rights in the market; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue allows the Qualifying

Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the recent market price of the Shares.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 66.7%. The theoretical dilution effect of the Rights Issue is approximately 17.12% which is below 25% as required under Rule 10.44A of the GEM Listing Rules.

The Directors (including the members of the Independent Board Committee whose opinion is set forth in the circular of the Company after having been advised by Independent Financial Advisor) are of the view that the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders, and that all Qualifying Shareholders are treated equally. The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) is estimated to be approximately HK$0.1025, if fully subscribed.

Basis of provisional allotments

The basis of the provisional allotment shall be two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

The PAL relating to the Rights Shares in printed form will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be an Excluded Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (together with the relevant share certificates) with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 November 2025.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

Shareholders with their Shares held by a nominee (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date. For investors whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Registrar at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 13 November 2025.

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company. **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of Overseas Shareholders (if any)

As at the Latest Practicable Date, there is no Shareholder with registered address (as shown on the register of members of the Company) which is outside Hong Kong.

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The Company will comply with Rule 17.41(1) of the GEM Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholders, if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only, but will not send any PAL to them.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form during the period from Tuesday, 25 November 2025 to Tuesday, 2 December 2025 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK$100 will be paid on pro-rata basis to the relevant Excluded Shareholders.

In view of administrative costs, the Company will retain individual amounts of HK$100 or less for its own benefit.

Any unsold Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form, will be placed by the Placing Agent at the price at least equal to the Subscription Price under the Placing Arrangement together with the Unsubscribed Rights Shares. Any Unsubscribed Rights Shares and the ES Unsold Rights Shares remain not placed after completion of the Placing Arrangement will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. For the nil-paid Rights Shares that were sold as described above and the buyer of such nil-paid Rights Shares who will not take up the entitlement, such Unsubscribed Rights Shares will be subject to the Compensatory Arrangements.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

The Company reserves the right to treat as invalid any acceptance of or applications for Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Status of Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects among themselves and with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, on or after the record date of which is after the date of allotment of the Rights Shares in their fully-paid form. Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Fractions of the Rights Shares

On the basis of provisional allotment of two (2) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date, no fractional entitlements to the Rights Shares will arise under the Rights Issue.

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares, and the Compensatory Arrangements

Pursuant to GEM Listing Rule 10.31(1)(b) of the GEM Listing Rules, the Company must make arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering the Unsubscribed Rights Shares and the ES Unsold Rights Shares to independent placees for the benefit of the Shareholders to whom they were offered by way of the rights. There will be no excess application arrangements in relation to the Rights Issue as stipulated under Rule 10.31(1)(a) of the GEM Listing Rules.

The Company therefore appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the Subscription Price for those Rights Shares that is realised will be paid to the No Action Shareholders and Excluded Shareholders on a pro-rata basis. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Tuesday, 23 December 2025, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares and the ES Unsold Rights Shares at a price not less than the Subscription Price.

Net Gain (if any) will be paid (without interest) on pro-rata basis (on the basis of all Unsubscribed Rights Shares and ES Unsold Rights Shares) to the No Action Shareholders and the Excluded Shareholders (but rounded down to the nearest cent) as set out below:

(i) where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for;

(ii) where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS (unless that person is covered by (iii) below), by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for;

(iii) if the Rights Issue is extended to the Overseas Shareholders (if any) and where an entitlement to the Rights Shares was not taken up by such Overseas Shareholders, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for. But for those Excluded Shareholders, by reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) mentioned in (i) to (iii) above which is in an amount of HK$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit. No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

THE PLACING AGREEMENT

On 4 September 2025 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, on 22 September 2025 and 13 October 2025, parties entered in to the Supplemental Placing Agreements, pursuant to which the Placing Agent has conditionally agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. Details of the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) are as follows:

Date	:	4 September 2025 (after trading hours)
Issuer	:	the Company
Placing Agent	:	Suncorp Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, Placees to subscribe for the Unsubscribed Rights Shares and the ES Unsold Rights Shares. The Placing Agent confirmed that it is independent of and not connected with the Company and its connected persons or any of their respective associates.
Placing price of the Unsubscribed Rights Shares and/or and the ES Unsold Rights Shares	:	The placing price of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares shall be not less than the Subscription Price. The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and/or the ES Unsold Rights Shares during the process of placement.
Commission	:	2.5% of the amount which is equal to the Placing Price multiplied by the Unsubscribed Rights Shares and ES Unsold Rights Shares that have been successfully placed by the Placing Agent pursuant to the terms of the Placing Agreement. The commission is not payable by the Company to the Placing Agent if the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) has not become unconditional or is otherwise terminated in accordance with its terms.

Placing price of each of the Unsubscribed Rights Share and/or the ES Unsold Rights Share (as the case maybe)	:	The placing price of each of the Unsubscribed Rights Shares and/or the ES Unsold Rights Share (as the case maybe) shall be at least equal to the Subscription Price. The final price determination is depended on the demand and market conditions of the Unsubscribed Rights Shares and the ES Unsold Rights during the process of placement.
Placees	:	The Unsubscribed Rights Shares and the ES Unsold Rights Shares are expected to be placed to the Placee(s) who and whose ultimate beneficial owner(s) shall not be the Shareholder(s) and shall be the Independent Third Party(ies). The Placing Agent will use its best endeavour to procure that (i) the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and (ii) the Company will continue to comply with the public float requirement under Rule 11.23(7) of the GEM Listing Rules upon completion of the Placing and the Right Issue.
Ranking of Unsubscribed Rights Shares and the ES Unsold Rights Shares	:	Unsubscribed Rights Shares and the ES Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
Conditions Precedent	:	The obligations of the Placing Agent and the Company under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) are conditional upon, among others, the following conditions being fulfilled (or being waived by the Placing Agent in writing, if applicable): (i) the GEM Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, the Rights Shares;

(ii) none of the representations, warranties or undertakings contained in the (as amended and supplemented by the Supplemental Placing Agreements) Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and

(iii) the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) not having been terminated in accordance with the provisions thereof. The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the conditions precedent to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) (other than those set out in paragraph (i) above) by notice in writing to the Company.

Termination	:	The Placing Arrangement (as amended and supplemented by the Supplemental Placing Agreements) shall end on 23 December 2025 or any other date by mutual written agreement between the Placing Agent and the Company. The engagement of the Placing Agent may also be terminated by Placing Agent in case of force majeure resulting in the Company and the Placing Agent being unable to fulfill its duties and responsibilities under the engagement. However, if during the course of the engagement it has come to the Placing Agent's knowledge that there is any material adverse change in the business and operational environment in the Company which, in the sole opinion of the Placing Agent, may make it inadvisable to continue the engagement, the Placing Agent shall have the right to terminate the engagement by written notice to the Company with immediate effect.
Placing Completion	:	Completion is expected to take place within six Business Days after publication of an announcement by the Company of the number of the Unsubscribed Rights Shares and the ES Unsold Rights Shares under the Compensatory Arrangements and upon fulfilment or waiver (as the case may be) of the conditions precedent to the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing.

The Company shall use its best endeavours to procure the fulfilment of such conditions precedent to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) by the Long Stop Date. If any of the conditions precedent to the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waive or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) or antecedent breach thereof.

The Placing Agent confirmed that it is independent of and not connected with the Company and its connected person and not a connected person of the Company. The engagement between the Company and the Placing Agent for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) was determined after arm's length negotiation between the Company and the Placing Agent and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition. The Directors consider that the terms of Placing Agreement (as amended and supplemented by the Supplemental Placing Agreements) for the Unsubscribed Rights Shares and ES Unsold Rights Shares (including the commission payable) are on normal commercial terms.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent Qualifying Shareholders; and (iii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Directors consider that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority Shareholders.

Application for listing

The Company will apply to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 5,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Rights Shares will be eligible for admission in CCASS

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully paid Rights Shares are expected to be posted on or before Monday, 29 December 2025 by ordinary post to the allottees, at their own risk, to their registered addresses. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

(a) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll at the EGM of the necessary resolution(s) to approve the Rights Issue, and the transactions contemplated thereunder to be effective in compliance with the GEM Listing Rules (including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully paid forms) by no later than the Prospectus Posting Date;

(b) the GEM Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

(c) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively, of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolutions of the Directors (and all other documents required to be attached thereto) in compliance with the Companies (WUMP) Ordinance and the GEM Listing Rules by no later than the Prospectus Posting Date;

(d) following registration, the posting of the Prospectus Documents to Qualifying Shareholders, the posting of the Prospectus and the Overseas Letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue, and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date; and

(e) compliance with and performance of all undertakings and obligations of Mr. Chan under the Shareholder Irrevocable Undertaking in all material respects.

The Company shall use all reasonable endeavours to procure the fulfilment of all the above conditions by the respective dates specified above.

None of the above conditions precedent can be waived. If any of the above conditions are not satisfied by the respective dates set out above (or such later date as the Company may determine), the Rights Issue will not proceed. As at the Latest Practicable Date, condition (e) above is satisfied.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any), the Company will arrange odd lot matching services during Tuesday, 30 December 2025 to Tuesday, 20 January 2026 (both days inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 80,000,000 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent:

	As at the Latest Practicable Date		**Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders**		**Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent**		**Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Mr. Chan who has provided the Shareholder Irrevocable Undertaking and all Unsubscribed Rights Shares and ES Unsold Rights Shares have been placed by the Placing Agent**	
	Number of Shares	*Approx.% (note)*	*Number of Shares*	*Approx.% (note)*	*Number of Shares*	*Approx.% (note)*	*Number of Shares*	*Approx.% (note)*
Mr. Chan	10,600,000	13.25	31,800,000	13.25	29,728,696	29.99	31,800,000	13.25
Public Shareholders	69,400,000	86.75	208,200,000	86.75	69,400,000	70.01	69,400,000	28.92
Independent placees	–	–	–	–	–	–	138,800,000	57.83
Total	80,000,000	100.00	240,000,000	100.00	99,128,696	100.00	240,000,000	100.00

Note: The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is 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.

As set out in the annual report of the Company for the year ended 31 March 2025, the Group recorded positive net cash generated from operating activities for the years ended 31 March 2024 and 2025 and the Group will continue focusing on the opportunities in renovation works and fitting-out works in Hong Kong, especially renovation projects of entertainment industry such as cinema or museums and leisure facilities such as private club houses. Meanwhile, the Board is optimistic about the growth of the business and will continue to tender for new fitting out projects including those for mainland based property developers which are currently very active in new properties development in Hong Kong. During the year ended 31 March 2025, the Group submitted tenders amounting to approximately HK$1,380.5 million (2024: approximately HK$1,981.5 million) which included 2 projects were awarded (2024: 3 projects were awarded) amounted to approximately HK$65.7 million (2024: approximately HK$221.7 million) included design and build of on-site sales office for the proposed residential development in Kai Tak; and fitting out works to clubhouse and entrance lobbies in Kwun Tung. The Group is renowned for its service quality and project management efficiency, such that most of the tenders were invited by the sizeable property developers in Hong Kong and sizeable PRC property developers in Hong Kong.

As set out in the annual report of the Company for the year ended 31 March 2025, the Group recorded liabilities of approximately HK$109.4 million and current liabilities of approximately HK$104.9 million as at 31 March 2025. As at 31 March 2025, the Group's liabilities mainly comprised of account and other payables of approximately HK$40.9 million and borrowings from the bank and independent third parties of approximately HK$60.0 million.

The Board considers that the Rights Issue represents an opportunity for the Company to (i) participate some contracting service projects which requires financial resources; and (ii) general working capital of the Group.

It is estimated that the Company will raise up to HK$17.6 million from the Rights Issue and the relevant expenses would be approximately HK$1.2 million, which includes placing commission and professional fees payable to financial advisers, legal advisers, financial printer and other parties involved in the Rights Issue. The estimated maximum net proceeds from the Rights Issue will accordingly be approximately HK$16.4 million (equivalent to a net price of approximately HK$0.1025 per Rights Share). In line with the aforesaid business objectives, the Company intends to utilise the net proceeds from the Rights Issue as follows:-

(i) approximately HK$13.7 million for participating some contracting service projects which requires financial resources; and

(ii) approximately HK$2.7 million as general working capital of the Group.

The Group generally engages subcontractors to perform most of the site works and materials suppliers to supply materials for its projects.

As at the Latest Practicable Date, the Group has been awarded one project recently from property developer through tendering but had not yet commenced, with an aggregate contract sum of approximately HK$52.3 million. The following table sets forth the project but had not yet commenced as at the Latest Practicable Date.

Project	**Scope of works**	**Expected project duration**	**Contact sum**	**Estimated amount of upfront costs**
A residential project in Kwu Tung	responsible for of fitting out works to clubhouse and entrance lobbies	1 year	HK$52.3 million	HK$10.3 million

Based on the Group's estimated construction schedule for the above mentioned project, the estimated payment requirement for the upfront costs for subcontractors and materials suppliers and provision of surety bonds for this project is approximately HK$10.3 million for the period from November 2025 to March 2026. As at the Latest Practicable Date, the Group is participating certain ongoing contracting service projects, with outstanding payment obligations to certain subcontractors and materials suppliers.

As at 31 August 2025, the Group held only approximately HK$1.2 million in cash and bank balances, which was insufficient to settle payables to subcontractors and materials suppliers for these ongoing contracting service projects that were already due as at the Latest Practicable Date.

In light of the above, the Board is of the view that it is crucial to fulfill the payments obligations for the above mentioned recently awarded and ongoing participating contracting service projects in order to avoid the risk of affecting the progress and implementation, the Group intends to use approximately (i) HK$10.3 million for Kwu Tung project; and (ii) HK$3.4 million to settle the outstanding payment to subcontractors and materials suppliers, representing approximately 83.5% of the net proceeds from the Rights Issue accordingly upon receipt of the proceeds from the Rights Issue.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

The Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Qualifying Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

If the Rights Issue is undersubscribed and the net proceeds (after the deduction of the costs and expenses relating to the Rights Issue) is less than HK$16.4 million, the net proceeds of the Rights Issue will be utilised in proportion to the above uses. As at the Latest Practicable Date, the Company has no intention to conduct further fundraising activities in near future.

Alternative fund-raising methods considered

The Directors have considered other financing alternatives including (i) other debt financing; (ii) equity fund raising such as placement of new Shares and open offer; and (iii) realisation of the Group's assets. The Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole, for the reasons as follows:

(a) As for other debt financing, as at the Latest Practicable Date, the Board has attempted to obtain loan financing from its principal bankers, and was advised that the Group does not have any material assets which the Group can charge to the banks as security, therefore, the credit line granted by the banks (if any) will not be sufficient to cover the Group's funding requirements. In addition, the Group has also attempted to obtain other loan financing from independent third parties, but the interest rate offered is generally over 10% per annum and substantially higher than the implied cost of capital of the Rights Issue of approximately 6.82% (being the total estimated expenses of the Rights Issue as percentage of gross proceeds).

(b) As for placement of new Shares, it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company.

(c) As for open offer, similar to a right issue, it also offers qualifying shareholders to participate, but it does not allow the trading of rights entitlements in the open market.

(d) As for realisation of the Group's assets, since the Group's total assets as at 31 March 2025 comprised substantially contract assets and life insurance policies (representing approximately 80% of total assets), it is impracticable for the Company to realise its assets for a significant amount of cash.

As such, the Board considers that equity financing would only incur an one-off implied cost of capital above and does not involve higher recurring interest expense and the financing process is usually simpler and quicker than negotiating bank borrowings, and therefore would allow our Group to react promptly to market conditions and business opportunities and the Rights Issue is more commercially favourable than debt financing considering the theoretical dilution effect is within the market range.

In addition, the Board considers that the terms of the Rights Issue and Placing Arrangement are fair and reasonable and in the best interest of the Company and Shareholders as a whole since (i) under the Rights Issue, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Group and the Qualifying Shareholders have the first right to decide whether to accept their entitlements of the Rights Shares; and (ii) the Shareholders who do not want to participate in the Rights Issue can dispose of the nil-paid Rights Shares in the secondary market for their own economic benefit.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date.

GEM LISTING RULES IMPLICATIONS

Since the Rights Issue will increase either the number of the issued share capital or the market capitalisation of the Company by more than 50% within the 12 month period immediately the Latest Practicable Date, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling shareholders and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue at the EGM. As at the Latest Practicable Date, the Company has no controlling Shareholder and Mr. Chan, who is the Chairman and an executive Director of the Company, is beneficially interested in 10,600,000 Shares (representing 13.25% of the issued Shares). Accordingly, Mr. Chan is required to abstain from voting in favour of the proposed resolution to approve the Rights Issue at the EGM.

Save as disclosed above, no other Directors or chief executive of the Company and their respective associates are interest in the Shares as at the Latest Practicable Date. Accordingly, save as disclosed above, no other Shareholder is required to abstain from voting at the EGM. No Shareholder had informed the Company that he/she/it intends to vote in favour of or against the proposed resolution(s) in connection with the Rights Issue as at the Latest Practicable Date.

The Company has not conducted any rights issue, open offer or specific mandate placings within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities as part of any rights issue, open offer and/or specific mandate placings within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 5 November 2025 to Monday, 10 November 2025 (both days inclusive) for determining the identity of the Shareholders entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Friday, 14 November 2025 to Thursday, 20 November 2025 (both days inclusive) for determining the entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Rights Issue, and the transactions contemplated hereunder.

The Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue in accordance with Rule 10.29(1) of the GEM Listing Rules.

The notice convening the EGM to be held at Portion 2, 12/F, the Center, 99 Queen's Road Central, Hong Kong on Monday, 10 November 2025 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular.

A form of proxy for use at the EGM is also enclosed. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the EGM (i.e. 11:00 a.m. on Saturday, 8 November 2025, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof if you so wish.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, a Prospectus containing further information regarding, among other things, the Rights Issue, including information on acceptances of the Rights Shares and other information in respect of the Group, and PAL(s) in printed form are expected to be despatched to the Qualifying Shareholders on Friday, 21 November 2025.

DESPATCH OF PROSPECTUS DOCUMENTS

Subject to the approval of the Rights Issue, the Placing Agreement, the Supplemental Placing Agreements and the transactions contemplated thereunder at the EGM, the Prospectus containing further information in relation to the Rights Issue and financial and other information relating to the Group is expected to be made available and/or despatched by the Company together with the PAL to the Qualifying Shareholders on or before Friday, 21 November 2025. The Company will sent the PAL to the Qualifying Shareholders individually in printed form. Copies of the Prospectus Documents will also be made available on the websites of the Company at www.aeso.hk and the Stock Exchange at www.hkexnews.hk. To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus to Excluded Shareholders for their information only but will not send the PAL to them.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this circular. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

RECOMMENDATIONS

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. Draco Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 36 to 37 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from Independent Financial Advisor set out on pages 38 to 63 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) consider that the terms of the Rights Issue and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors (including the independent non-executive Directors whose views are expressed in the letter from the Independent Board Committee) recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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