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**aeso**

**AESO HOLDING LIMITED**

**艾碩控股有限公司**

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

**(Stock Code: 8341)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*This announcement, for which the directors (“**Directors**”) of Aeso Holding Limited (“**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (“**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this announcement misleading.*

## ANNUAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 March 2024 (the “**Reporting Period**”) together with the comparative audited figures for the year ended 31 March 2023. The financial information has been approved by the Board.

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

*For the year ended 31 March 2024*

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Revenue</b>	4	<b>239,688</b>	262,616
Cost of services		<u>(202,189)</u>	<u>(226,671)</u>
<b>Gross profit</b>		<b>37,499</b>	35,945
Other income	5	<b>16</b>	1,253
Other gains/(losses), net	6	<b>823</b>	2,092
Change in fair value of financial assets at fair value through profit or loss		<b>(27)</b>	332
(Allowance)/reversal of allowance for expected credit losses, net		<b>(448)</b>	134
Administrative expenses		<u>(26,786)</u>	<u>(29,565)</u>
<b>Profit from operations</b>		<b>11,077</b>	10,191
Finance costs	7	<u>(2,967)</u>	<u>(1,930)</u>
<b>Profit before tax</b>	8	<b>8,110</b>	8,261
Income tax	10	<u>–</u>	<u>–</u>
<b>Profit and total comprehensive income for the year</b>		<u><b>8,110</b></u>	<u>8,261</u>
<b>Earnings per share</b>	13		
Basic (HK cents)		<u><b>10.14</b></u>	<u>10.33</u>
Diluted (HK cents)		<u><b>10.14</b></u>	<u>10.33</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		467	619
Right-of-use assets		2,837	5,133
		<u>3,304</u>	<u>5,752</u>
<b>Current assets</b>			
Accounts and other receivables	11	41,183	30,507
Contract assets		90,542	60,953
Financial assets at fair value through profit or loss		22,345	10,662
Pledged bank deposits		911	904
Bank and cash balances		14,667	11,249
		<u>169,648</u>	<u>114,275</u>
<b>Current liabilities</b>			
Accounts and other payables	12	55,112	35,367
Contract liabilities		13,749	6,952
Bank borrowings		55,356	34,780
Lease liabilities		2,357	2,304
		<u>126,574</u>	<u>79,403</u>
<b>Net current assets</b>		<u>43,074</u>	<u>34,872</u>
<b>Total assets less current liabilities</b>		<u>46,378</u>	<u>40,624</u>
<b>Non-current liabilities</b>			
Lease liabilities		540	2,896
<b>Net assets</b>		<u>45,838</u>	<u>37,728</u>
<b>Capital and reserves</b>			
Share capital		6,240	6,240
Reserves		39,598	31,488
<b>Total equity</b>		<u>45,838</u>	<u>37,728</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

### 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. Its shares are listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Its ultimate and immediate parent is Acropolis Limited, a company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Chan Siu Chung. 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 consolidated financial statements is presented in Hong Kong Dollar (“**HK\$**”), which is the same as the functional currency of the Company and its subsidiaries and all value are rounded to the nearest thousand (“**HK\$’000**”) except when otherwise indicated.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

#### (a) Application of new and amendments to HKFRSs

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2023 for the preparation of the consolidated financial statements:

<i>HKFRS 17 (including the October 2020 and February 2022 amendments to HKFRS 17)</i>	<i>Insurance Contracts</i>
<i>Amendments to HKAS 8</i>	<i>Definition of Accounting Estimates</i>
<i>Amendments to HKAS 12</i>	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
<i>Amendments to HKAS 12</i>	<i>International Tax Reform – Pillar Two Model Rules</i>
<i>Amendments to HKAS 1 and HKFRS Practice Statement 2</i>	<i>Disclosure of Accounting Policies</i>

The application of the new and amendments to HKFRSs in the current year had no material impact on the Group’s consolidated financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

***Impact on application of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”***

The Group has adopted Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies” for the first time in the current year. HKAS 1 “Presentation of Financial Statements” is amended to replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 “Making Materiality Judgements” (the “**Practice Statement**”) is also amended to illustrate how an entity applies the “four-step materiality process” to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group’s financial positions and performance but has affected the disclosure of the Group’s accounting policies.

***New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism***

In June 2022, the Government of Hong Kong Special Administrative Region (the “**Hong Kong Government**”) gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”), which will come into effect from 1 May 2025 (the “**Transition Date**”). Once the Amendment Ordinance takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory contributions to mandatory provident fund (“**MPF**”) scheme to reduce the long service payment (“**LSP**”) in respect of an employee’s service from the Transition Date (the abolition of the “**offsetting mechanism**”). In addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee’s monthly salary immediately before the Transition Date and the years of service up to that date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. In particular, the guidance indicates that entities may account for the accrued benefits derived from mandatory MPF contributions that are expected to be used to reduce the LSP payable to an employee as deemed contributions by that employee towards the LSP.

Applying this approach, upon the enactment of the Amendment Ordinance in June 2022, it is no longer permissible to apply the practical expedient in paragraph 93(b) of HKAS 19 that previously allowed such deemed contributions to be recognised as reduction of service cost (negative service cost) in the period the contributions were made. Instead, these deemed contributions should be attributed to periods of service in the same manner as the gross LSP benefit. The Amendment Ordinance has no material impact on the Group’s LSP liability and staff cost.

(b) **Amendments HKFRSs in issue but not yet effective**

The Group has not applied any new and amendments to standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 April 2023. The new standard, amendments to standards and interpretation include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
<i>Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current</i>	<i>1 January 2024</i>
<i>Amendments to HKAS 1 – Non-current Liabilities with Covenants</i>	<i>1 January 2024</i>
<i>Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback</i>	<i>1 January 2024</i>
<i>Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause</i>	<i>1 January 2024</i>
<i>Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements</i>	<i>1 January 2024</i>
<i>Amendments to HKAS 21 – Lack of Exchangeability</i>	<i>1 January 2025</i>
<i>Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	<i>To be determined by the HKICPA</i>

The directors of the Company anticipate that the application of the above amendments to HKFRSs will not have material impact on the consolidated financial statements in the foreseeable future.

**3. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“**HKFRS**”); Hong Kong Accounting Standards (“**HKAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosures provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**GEM Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Material accounting policies adopted by the Group are disclosed below.

#### 4. REVENUE AND SEGMENT INFORMATION

##### Revenue

	2024 HK\$'000	2023 HK\$'000
<i>(i) Disaggregation of revenue from contracts with customers within the scope of HKFRS 15</i>		
Fitting-out projects	145,584	251,604
Renovation projects	94,104	11,012
	<u>239,688</u>	<u>262,616</u>
Revenue recognised over time	<u>239,688</u>	<u>262,616</u>

##### *(ii) Transaction price allocated to the remaining performance obligation for contracts with customers*

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) and the expected timing of recognising revenue are as follows:

Year ended 31 March 2024	Fitting-out projects HK\$'000	Renovation projects HK\$'000	Total HK\$'000
Within one year	175,322	27,021	202,343
More than one year but not more than two years	186,335	–	186,335
	<u>361,657</u>	<u>27,021</u>	<u>388,678</u>
Year ended 31 March 2023	Fitting-out projects HK\$'000	Renovation projects HK\$'000	Total HK\$'000
Within one year	185,548	60,542	246,090
More than one year but not more than two years	97,454	593	98,047
	<u>283,002</u>	<u>61,135</u>	<u>344,137</u>

The following is an analysis of the Group's revenue and results by operating and reportable segments:

**For the year ended 31 March 2024**

	<b>Fitting-out projects <i>HK\$'000</i></b>	<b>Renovation projects <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Revenue</b>			
Segment revenue	<u>145,584</u>	<u>94,104</u>	<u>239,688</u>
Segment profit	<u>12,994</u>	<u>24,057</u>	<u>37,051</u>
Unallocated income			<b>839</b>
Change in fair value of financial assets at fair value through profit or loss			<b>(27)</b>
Unallocated expenses			<u><b>(29,753)</b></u>
Profit before tax			<u><u><b>8,110</b></u></u>

**For the year ended 31 March 2023**

	<b>Fitting-out projects <i>HK\$'000</i></b>	<b>Renovation projects <i>HK\$'000</i></b>	<b>Total <i>HK\$'000</i></b>
<b>Revenue</b>			
Segment revenue	<u>251,604</u>	<u>11,012</u>	<u>262,616</u>
Segment profit	<u>35,482</u>	<u>597</u>	<u>36,079</u>
Unallocated income			3,345
Change in fair value of financial assets at fair value through profit or loss			332
Unallocated expenses			<u>(31,495)</u>
Profit before tax			<u><u>8,261</u></u>



The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profit from each segment before taxation without allocation of other income, change in fair value of financial assets at fair value through profit or loss, net allowance for ECL, administration expenses and finance costs. This is the measure reported to the chief operating decision maker ("CODM") for the purposes of resource allocation and performance assessment. No analysis of the Group's assets and liabilities is regularly provided to the CODM for review.

### 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:

		<b>2024</b>	2023
		<b>HK\$'000</b>	HK\$'000
Customer 1	Fitting-out Projects	<b>43,509</b>	75,486
Customer 2	Fitting-out Projects	N/A	92,490
Customer 2	Renovation Projects	N/A	1,600
Customer 3	Fitting-out Projects	<b>87,259</b>	72,163
Customer 4	Fitting-out Projects	<b>68,957</b>	N/A
		<u><b>68,957</b></u>	<u>        </u>

## 5. OTHER INCOME

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Interest income	<b>16</b>	5
Government grant ( <i>Note</i> )	–	1,248
	<u><b>16</b></u>	<u>1,253</u>

*Note:*

For the year ended 31 March 2023, the Group recognised government grant of approximately HK\$1,248,000 in respect of COVID-19 related subsidies which is related to Employment Support Scheme provided by the Hong Kong government. There were no unfulfilled conditions or other contingencies attached to this grant and recognised as income when the Group received. No government grant was recognised during the year ended 31 March 2024.

## 6. OTHER GAINS/(LOSSES), NET

	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Gain/(loss) on disposal of property, plant and equipment	<b>100</b>	(32)
Payables written back	<b>723</b>	2,124
	<u><b>823</b></u>	<u>2,092</u>

## 7. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on:		
Bank borrowings	2,867	1,784
Lease liabilities	100	146
	<u>2,967</u>	<u>1,930</u>

## 8. PROFIT BEFORE TAX

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Directors' emoluments	4,082	4,367
Other staff costs:		
Salaries and other allowances	17,251	20,143
Discretionary bonus	1,628	996
Equity-settled share-based payments	–	975
Retirement benefits scheme contributions	811	443
	<u>23,772</u>	<u>26,924</u>
Total staff costs	23,772	26,924
Less: amounts included in cost of services	<u>(8,243)</u>	<u>(9,992)</u>
	<u>15,529</u>	<u>16,932</u>
Staff costs included in administrative expenses		
Auditor's remuneration		
– Audit services	420	400
Depreciation of property, plant and equipment	161	96
Depreciation of right-of-use assets	2,296	2,254
Expenses relating to short-term lease	21	34
Allowance/(reversal of allowance) for ECL recognised on accounts receivable	128	(76)
Allowance/(reversal of allowance) for ECL recognised on contract assets	320	(58)
	<u>320</u>	<u>(58)</u>

## 9. DIVIDEND

The board of directors do not recommend the payment of any dividend for the year ended 31 March 2024 (2023: HK\$Nil).

## 10. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which the members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and British Virgin Islands.

Under the two-tiered profits tax rates regime of Hong Kong, the first HK\$2,000,000 of assessable profits of a qualifying group companies established in Hong Kong will be taxed at 8.25%, and assessable profits above HK\$2,000,000 will be taxed at 16.5%. The assessable profits of other Group's corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

No provision for Hong Kong Profit Tax has been made as the Group did not generate any assessable profit arising in Hong Kong or has sufficient tax losses brought forward to set off against assessable profit.

The reconciliations between the income tax expense and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit before tax	<u>8,110</u>	<u>8,261</u>
Tax charge at Hong Kong Profits Tax Rate of 16.5% (2023: 16.5%)	<b>1,338</b>	1,363
Tax effect of expenses not deductible for tax purpose	<b>1,165</b>	1,455
Tax effect of income not taxable for tax purpose	<b>(30)</b>	(402)
Utilisation of tax loss not previously recognised	<u><b>(2,473)</b></u>	<u>(2,416)</u>
Total tax for the year	<u><u>–</u></u>	<u><u>–</u></u>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$4,725,000 (2023: HK\$19,715,000) available for offset against future profits but not yet agreed by tax authority. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

## 11. ACCOUNTS AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts receivable	44,617	33,953
Less: allowance for ECL	<u>(4,833)</u>	<u>(4,705)</u>
	<u><b>39,784</b></u>	<u><b>29,248</b></u>
Other receivables, deposits and prepayments		
– Rental and utility deposits	899	843
– Prepayments	415	345
– Other receivables	<u>85</u>	<u>71</u>
	<u><b>1,399</b></u>	<u><b>1,259</b></u>
Total accounts and other receivables	<u><b>41,183</b></u>	<u><b>30,507</b></u>

The Group allows an average credit period of 30 days to its customers. The ageing analysis of the Group's accounts receivable, net of ECL, based on invoice date at the end of each reporting period is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within 30 days	25,007	21,365
31 – 60 days	14,723	7,036
61 – 120 days	<u>54</u>	<u>847</u>
	<u><b>39,784</b></u>	<u><b>29,248</b></u>

## 12. ACCOUNTS AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Accounts payable	15,408	8,282
Accruals	4,540	4,110
Deposits received	18,900	8,000
Retention payables	<u>16,264</u>	<u>14,975</u>
	<u><b>55,112</b></u>	<u><b>35,367</b></u>

### **13. EARNINGS PER SHARE**

#### **(a) Basic earnings per share**

The calculation of basic earnings per share for the year ended 31 March 2024 is based on a profit for the year attributable to the owners of the Company of approximately HK\$8,110,000 (2023: HK\$8,261,000), and the number of 80,000,000 (2023: 80,000,000) ordinary shares in issue during the year.

#### **(b) Diluted earnings per share**

For the years ended 31 March 2024 and 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.

## MANAGEMENT DISCUSSION 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. Amongst the total revenue of approximately HK\$239.7 million for the Reporting Period, approximately HK\$145.6 million (2023: approximately HK\$251.6 million) was contributed by fitting-out projects, whereas approximately HK\$94.1 million (2023: approximately HK\$11.0 million) was contributed by renovation projects.

During the Reporting Period, the Company submitted tenders amounting to approximately HK\$1,981.5 million (2023: approximately HK\$2,187.7 million) which included 3 projects were awarded (2023: 6 projects were awarded) amounted to approximately HK\$221.7 million (2023: approximately HK\$244.3 million) included a shopping mall and clubhouse fitting-out project from public housing sector with total contract sum of approximately HK\$186.6 million. The Group is renowned for its service quality and project management efficiency, such that most of the tenders were invited by the sizable property developers in Hong Kong and sizable PRC property developers in Hong Kong. The Directors believe that the increase in value for the tenders submitted will drive up the performance of the Group and contribute profits and success to the Group.

It is expected that the tenders awarded during the Reporting Period enhances 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 decreased from approximately HK\$262.6 million for the year ended 31 March 2023 to approximately HK\$239.7 million for the Reporting Period, representing an decrease of approximately 8.7%. The decrease in revenue was mainly due to a relatively larger amounts of tenders awarded in 2021 then it led that more contract revenue was recognised during the Reporting Period as compared to the corresponding period in 2023.

The revenue for the fitting-out projects for the Reporting Period was approximately HK\$145.6 million, represented an decrease of approximately 42.1% from approximately HK\$251.6 million for the same period in 2023.

The revenue for the renovation projects for the Reporting Period was approximately HK\$94.1 million, represented a increase of approximately 755.5% from approximately HK\$11.0 million for the same period in 2023.

### ***Cost of Services***

The Group's direct cost decreased from approximately HK\$226.7 million for the year ended 31 March 2023 to approximately HK\$202.2 million for the Reporting Period, representing a decrease of approximately 10.8% which was in line with the increase in revenue during the Reporting Period.

### ***Gross Profit***

The Group's gross profit increased from approximately HK\$35.9 million for the year ended 31 March 2023 to approximately HK\$37.5 million for the Reporting Period. Such improvement was mainly due to increase in revenue of renovation projects during the Reporting Period.

### ***Administrative Expenses***

The Group's administrative expenses amounted to approximately HK\$29.6 million and approximately HK\$26.8 million for the years ended 31 March 2023 and 2024 respectively, representing a decrease of approximately 9.5%. Such decrease was mainly due to the decrease in staff costs and legal and professional fee during the Reporting Period.

### ***Earnings attributable to the owners of the Company***

As a result of the aforesaid, the earnings attributable to the owners of the Company was approximately HK\$8.1 million during the Reporting Period as compared with the earnings attributable to the owners of the Company of approximately HK\$8.3 million for the corresponding period in 2023, which was mainly due to the absence of government grant in respect of COVID-19 related to subsidies which is related to Employment Support Scheme provided by the Hong Kong government for the year ended 31 March 2024 (2023: approximately HK\$1,248,000).

### **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. During the Reporting Period and up to the date of this announcement, the Group was awarded with two fitting-out projects with the total contract sum of approximately HK\$193.1 million and a renovation project with a total contract sum of approximately HK\$28.7 million. The Group will keep to tender new fitting-out projects and renovation projects in Hong Kong including the projects from public housing sector, listed property developers and well-established companies etc.

The Management believed that the Group may increase the manpower and the budget of construction cost through fund raising activities, so that to enlarge the size of the Group in the coming future for the purpose of handling construction projects from large number of new tenders awarded including the new business from public housing sector.

Looking forward, the construction industry in Hong Kong will be set for a dynamic and promising development in the future. Although there are uncertainties surrounding the Hong Kong economy, the construction industry's work is expected to increase, especially in the public sectors. The Hong Kong Government plans to increase the annual expenditure in infrastructure. The Management believes that such government plans will benefit to the Company. The Group will focus more on business opportunity from the public housing sector.

### **Liquidity and Financial Resources**

The Group's operation and investments were financed principally by cash generated from its business operations, bank borrowings and equity contribution from shareholders. As at 31 March 2024, the Group had net current assets of approximately HK\$43.1 million (31 March 2023: net current assets of approximately HK\$34.9 million), net assets of approximately HK\$45.8 million (31 March 2023: net assets of approximately HK\$37.7 million), bank balances and cash of approximately HK\$14.7 million (31 March 2023: approximately HK\$11.2 million) and pledged bank deposit of approximately HK\$0.9 million (31 March 2023: approximately HK\$0.9 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**

Cash deposits, accounts receivable and life insurance policies of the Group of approximately HK\$0.9 million, HK\$17.4 million and HK\$22.3 million as at 31 March 2024 (31 March 2023: HK\$0.9 million, HK\$25.3 million and HK\$10.6 million) respectively, are charged to the bank to secure general banking facilities.

### **Commitments**

As at 31 March 2024, the Group had no material commitment.

### **Capital Structure**

There has been no change in capital structure of the Company since 31 March 2024.

### **Significant Investments**

As at 31 March 2024, 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 Reporting 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 31 March 2024, the Group had no significant exposure under foreign exchange contracts, interest, currency swaps or other financial derivatives.

## **Employees and Remuneration Policy**

As at 31 March 2024, the Group had 45 employees (31 March 2023: 46 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.

## **SHARE OPTION SCHEME**

A share option scheme of the Company (the "**Share Option Scheme**") was adopted in Company's annual general meeting on 30 September 2019.

Details of the Share Option Scheme are as follows:

### **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.

### **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.

### **Total number of Shares available for issue**

The total number of Shares available for issue under the Share Option Scheme should be 10,000,000 Shares, representing approximately 12.5% of the Company's issued share capital as at the date of the this announcement.

### **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.

### **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.

### **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.

### **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.

### **Consideration for the option**

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

## 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.

## Transfer or assignment

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

## 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.

For the share options outstanding as at 1 April 2023 and 31 March 2024, all of the options were vested immediately at the date of grant.

Details of the options outstanding for the year ended 31 March 2024 are as follows:

Grantees	Date of grant	Exercise period	No. of shares comprised in options				Outstanding as at 31 March 2024	Exercise price per share	Percentage of weighted average number of share in issue
			Outstanding as at 1 April 2023	Granted	Exercised	Lapsed			
<b>Executive directors</b>									
Chan Siu Chung	12 July 2021	12 July 2021 to 11 July 2024	400,000	-	-	-	400,000	US\$0.1	0.50%
	15 August 2022	15 August 2022 to 14 August 2025	800,000	-	-	-	800,000	HK\$0.447	1.00%
Cheung Hiu Tung	15 August 2022	15 August 2022 to 14 August 2025	800,000	-	-	-	800,000	HK\$0.447	1.00%
Zhang Hai Wei	12 July 2021	12 July 2021 to 11 July 2024	800,000	-	-	-	800,000	US\$0.1	1.00%
<b>Other employees</b>									
	12 July 2021	12 July 2021 to 11 July 2024	800,000	-	-	-	800,000	US\$0.1	1.00%
	15 August 2022	15 August 2022 to 14 August 2025	6,400,000	-	-	-	6,400,000	HK\$0.447	8.00%
Total			10,000,000	-	-	-	10,000,000		12.50%

As at 31 March 2023, 31 March 2024 and the date of this announcement, the total number of share available for issue (including the outstanding options already granted) under the Share Option Scheme were 12,270,965 which represented approximately 15.3% of the share in issue as at the date of this announcement. As at the date of this announcement, the remaining life of the Share Option Scheme is approximately 5 years and 3 months.

## **PURCHASE, SALE OR REDEMPTION OF SHARES**

During the Reporting 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**

There is no material event occurred in relation to the Group after the Reporting Period.

## **CORPORATE GOVERNANCE PRACTICES**

The corporate governance principles of the Company emphasis a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Company believes that its accountability and transparency will be improved thereby instilling confidence to the shareholders of the Company and the public. Throughout the Reporting 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:

### **Provision C.2.1 of the CG Code**

Under provision C.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 issued arising at board meetings, and receive adequate information, both complete and reliable, in a timely manner. The executive directors of the Company collectively oversees the overall management of the Group in each of their specialized executive fields, which fulfils the function of Chief Executive Officer in substance. Therefore, the Company currently has not appointed its Chief Executive Officer to avoid the duplication of duties.

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee, established in 2017, is 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.

No existing member of the Audit and Risk Management Committee is a former partner of the existing auditing firm 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 financial statements for the Reporting Period.

During the Reporting Period, four Audit and Risk Management Committee meetings were held with all the members attended.

## **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 Reporting 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 Reporting Period.

## **TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE**

No transaction, arrangement or contract of significance to which the Company or its subsidiaries was a party and in which a Director or an entity connected with a Director has or had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

## **SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the year ended 31 March 2024 as set out in the preliminary announcement have been agreed by the Group's auditors, McMillan Woods (Hong Kong) CPA Limited ("**McMillan Woods**"), to the amounts set out in the Group's drafted consolidated financial statements for the year ended 31 March 2024. The work performed by McMillan Woods in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods on the preliminary announcement.

## **PUBLICATION OF INFORMATION ON THE WEBSITE OF THE STOCK EXCHANGE**

This announcement will be published on the respective websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.aeso.hk](http://www.aeso.hk)). This announcement for the Reporting Period containing all the information required by the GEM Listing Rules will be published on the website of the Company and the Stock Exchange and despatched to the Company's shareholders in due course.

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

Hong Kong, 28 June 2024

*As at the date of this announcement, the Board comprises Mr. Chan Siu Chung, Mr. Cheung Hiu Tung and Mr. Zhang Hai Wei as Executive Directors, and Mr. Yeung Chun Yue, David, Ms. Lai Wing Sze and Ms. Yu Wan Ki as Independent Non-Executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, include particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of seven days from the date of the publication and on the website of the Company at [www.aeso.hk](http://www.aeso.hk).*