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ALLIED SUSTAINABILITY AND ENVIRONMENTAL CONSULTANTS GROUP LIMITED

沛然環保顧問有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8320)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING AGREEMENT

On 14 January 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 115,000,000 Placing Shares at the Placing Price of HK\$0.065 per Placing Share to currently expected to be not less than six Placees who are individuals, corporate, institutional or other investors who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons and their respective associates. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The maximum number of 115,000,000 Placing Shares represent approximately 8.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 8.01% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion).

Assuming the maximum number of the Placing Shares is placed, the estimated gross proceeds of the Placing will be HK\$7,475,000. The estimated net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$7,200,000 and are intended to be used for the general working capital of the Group.

GENERAL

The Placing Shares will be allotted and issued pursuant to the General Mandate.

Application will be made by the Company to the GEM Listing Committee for the grant of the approval for the listing of, and permission to deal in, the Placing Shares.

Completion is subject to the fulfillment of the conditions precedent set forth in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 14 January 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best efforts basis, up to 115,000,000 Placing Shares at the Placing Price of HK\$0.065 per Placing Share to currently expected to be not less than six Places. The Placing Shares will be allotted and issued pursuant to the General Mandate. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Date	14 January 2021 (after trading hours)
Issuer	The Company
Placing Agent	Gransing Securities Co., Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is a third party independent of the Company and its connected persons and their respective associates.

The Placing and Commission

The Placing Agent has conditionally agreed to place up to an aggregate of 115,000,000 Placing Shares on a best efforts basis to currently expected to be not less than six Places. In consideration thereof, it will receive a placing commission of 2.75% of the aggregate consideration received by the Company from the sale of the Placing Shares on Completion. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

The Places

The Placing Agent will place the Placing Shares to individuals, corporate, institutional or other investors who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons and their respective associates. It is currently expected that the Placing Shares will be placed to not less than six Places.

Number of Placing Shares

Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum number of 115,000,000 Placing Shares under the Placing represents approximately 8.71% of the issued share capital of the Company as at the date of this announcement, and approximately 8.01% of the issued share capital as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$1,150,000.

Placing Price

The Placing Price is HK\$0.065 per Placing Share, which:

- (a) equals to the closing price of HK\$0.065 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) represents a premium of approximately 9.06% to the average closing price of HK\$0.0596 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined on an arm's length basis between the Company and the Placing Agent and with reference to the prevailing market price of the Shares. The Directors consider that the Placing Price is fair and reasonable based on the current market conditions and is in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Board at the annual general meeting of the Company held on 10 August 2020 pursuant to which the Board is authorised to allot, issue and deal with up to 264,000,000 Shares. As at the date of this announcement, the Company had not utilised the General Mandate and the maximum of 115,000,000 Placing Shares under the Placing represents approximately 43.56% of the entire General Mandate.

The allotment and issue of the Placing Shares is not subject to any additional Shareholders' approval.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Conditions precedent

Completion of the Placing Agreement is conditional upon:

- (a) approval by the Stock Exchange for the listing of, and permission to deal in, the Placing Shares before the Long Stop Date;
- (b) the Placing Agreement not having been terminated in accordance with its terms; and
- (c) the Company and the Placing Agent having obtained all necessary consents and approvals in respect of the transactions contemplated under the Placing Agreement, if applicable.

The Placing Agreement does not provide for either party to waive any of the above conditions.

In the event that any of the Conditions set out above has not been satisfied on or before the Long Stop Date, the rights and obligations of the parties thereto shall cease and determine and thereafter none of the parties shall have any claim against the other save and except in respect of antecedent breaches of the Placing Agreement.

Completion

Completion shall take place within five Business Days following the satisfaction of all the Conditions (or on such other date as may be agreed by the parties in writing).

Termination

Pursuant to the Placing Agreement, the Placing Agent may, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of Completion if in its reasonable opinion:

- (a) there is any change in national, international, financial, exchange control, political or economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (b) there is any material breach of the warranties, representations and undertakings given by the Company in the Placing Agreement; or
- (c) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The following equity fund raising activity was conducted by the Company in the past twelve months immediately preceding the date of this announcement:

Date of announcement	Fund raising activities	Gross proceeds	Net proceeds	Intended use of proceeds	Actual use of proceeds
15 May 2020 and 5 June 2020	Placing of new shares under general mandate	HK\$6,240,000	HK\$5,200,000	General working capital of the Group including for payroll of employees, rental payment and office expenses	Fully utilised as intended

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon Completion (subject to Completion taking place for the placing of a maximum number of Placing Shares and assuming that there is no other change in the shareholding structure of the Company before the allotment and issue of the Placing Shares) are set out below:

	As at the date of this announcement		Immediately after completion of the Placing	
	<i>No. of Shares</i>	<i>Approx. percentage</i>	<i>No. of Shares</i>	<i>Approx. percentage</i>
Kwok May Han Grace ("Ms. Kwok") (Note)	731,381,599	55.41%	731,381,599	50.97%
Wu Dennis Pak Kit ("Mr. Wu") (Note)	731,381,599	55.41%	731,381,599	50.97%
Gold Investments Limited ("Gold Investments")	721,701,600	54.67%	721,701,600	50.29%
The Placees	–	–	115,000,000	8.01%
Other public Shareholders	588,618,401	44.59%	588,618,401	41.02%
Total	<u>1,320,000,000</u>	100%	<u>1,435,000,000</u>	100%

Note: Among these Shares, 4,293,333 Shares are held by Ms. Kwok, 5,386,666 Shares are held by Mr. Wu and 721,701,600 Shares are held by Gold Investments. Gold Investments is a company incorporated in the British Virgin Islands and the issued share capital of which is owned as to 70% by Ms. Kwok (a Director) and 30% by Mr. Wu (a Director and the husband of Ms. Kwok). Ms. Kwok is deemed to be interested in such Shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in such Shares held by Gold Investments and Ms. Kwok under the SFO.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in the provision of consultancy services relating to green building certification consultancy, sustainability and environmental consultancy, acoustics, noise and vibration control and audio-visual design consultancy and environmental, social and governance reporting consultancy in Hong Kong, Macau and the People's Republic of China.

The Placing Price was determined with reference to the prevailing market price of the Shares, the nominal value of each Share and the Placing Price allowed under the GEM Listing Rules and the applicable laws.

Subject to completion of the Placing, it is expected that the maximum gross proceeds and net proceeds (after deducting commission and other relevant costs and expenses) from the Placing will be HK\$7,475,000 and approximately HK\$7,200,000 respectively. On such basis, the net issue price will be approximately HK\$0.063 per Placing Share. The Company intends to apply the net proceeds for the general working capital of the Group, including for payroll of employees, rental payment and office expenses in the aggregate amount of approximately HK\$2.5 million per month.

The Directors are of the view that the Placing represents a good opportunity for the Company to broaden its shareholders' base and raise additional funds at a reasonable cost. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole. The Directors consider that the terms of the Placing Agreement including the Placing Price and the commission to the Placing Agent are fair and reasonable, on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

WARNING

Completion is subject to the fulfillment of the conditions precedent set forth in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“Board”	the board of Directors
“Business Day”	any day (not being a Saturday, Sunday or public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Allied Sustainability and Environmental Consultants Group Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on GEM (stock code: 8320)
“Completion”	the completion of allotment and issue of the Placing Shares pursuant to the Placing Agreement
“connected person(s)”	has the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“General Mandate”	the general mandate granted to the Directors pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 10 August 2020 to allot, issue and deal with up to a maximum of 264,000,000 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Long Stop Date”	4 February 2021 or such later date as may be agreed in writing by the Company and the Placing Agent
“Placee(s)”	any individuals, corporate, institutional or other investor(s) procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to 115,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Gransing Securities Co., Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 14 January 2021 in relation to the Placing
“Placing Price”	HK\$0.065 per Placing Share
“Placing Shares”	up to a maximum of 115,000,000 new Shares to be placed pursuant to the Placing Agreement

“SFO”	the Securities and Futures Ordinance (Cap. 571 of Hong Kong Laws)
“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“%”	per cent.

For and on behalf of the Board
**Allied Sustainability and Environmental
Consultants Group Limited**
Kwok May Han Grace
Chairman and Executive Director

Hong Kong, 14 January 2021

As at the date of this announcement, the executive Directors are Ms. Kwok May Han Grace (Chairman) and Mr. Wu Dennis Pak Kit (Vice Chairman); and the independent non-executive Directors are Professor Lam Kin Che, Ms. Wong Yee Lin Elaine, Mr. Li Wing Sum Steven and Mr. Szeto Chi Hang Clive.

This announcement, for which the Directors collectively and individually accept full responsibility, includes 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.asecg.com.