

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in Allied Sustainability and Environmental Consultants Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

**PROPOSED SHARE CONSOLIDATION AND
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at 27/F., Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong at 11:00 a.m. on 8 March 2021 is set out on pages 11 to 13 of this circular.

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 the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. by 11:00 a.m. on 6 March 2021) 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 should you so wish and in such event, the proxy form shall be deemed revoked.

All times and dates specified herein refer to Hong Kong local times and dates.

This circular will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.asecg.com.

11 February 2021

**CHARACTERISTICS OF THE GEM OF
THE STOCK EXCHANGE OF HONG KONG LIMITED**

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.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS from time to time
“Change in Board Lot Size”	the change in board lot size for trading on the Stock Exchange from 10,000 Shares to 20,000 Consolidated Shares
“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)
“Consolidated Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve the Share Consolidation
“GEM”	the GEM of the Stock Exchange
“GEM Listing Committee”	the GEM listing sub-committee of the board of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	5 February 2021, being the latest practicable date prior to printing of this circular for ascertaining certain information contained herein
“Placing”	the placing of up to 115,000,000 new Shares pursuant to the terms of the placing agreement entered into between the Company and Gransing Securities Co., Limited on 14 January 2021, details of which are disclosed in the announcement of the Company dated 14 January 2021
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“Share Consolidation”	the proposed consolidation of every two (2) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.02 each
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

EXPECTED TIMETABLE

Set out below is the expected timetable in relation to the Share Consolidation and Change in Board Lot Size, and the associated trading arrangement:

2021

Latest date and time for lodging transfer documents
in order to qualify for attending and voting at EGM 4:30 p.m.
on Tuesday, 2 March

Closure of register of members for determining
the entitlement to attend and vote at the EGM
(both dates inclusive) Wednesday, 3 March to
Monday, 8 March

Latest date and time for lodging the proxy form
for the EGM 11:00 a.m.
on Saturday, 6 March

Date and time of the EGM 11:00 a.m.
on Monday, 8 March

Publication of the announcement of results of the EGM Monday, 8 March

The following events are conditional upon the fulfilment of the conditions for the implementation of the Share Consolidation as set out in the section headed "Conditions of the Share Consolidation" of this circular.

Effective date of the Share Consolidation Wednesday, 10 March

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares Wednesday, 10 March

Dealings in Consolidated Shares commence 9:00 a.m.
on Wednesday, 10 March

Original counter for trading in Shares
in board lots of 10,000 Shares
(in the form of existing share certificates)
temporarily closes 9:00 a.m.
on Wednesday, 10 March

Temporary counter for trading in Consolidated Shares
in board lots of 5,000 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m.
on Wednesday, 10 March

EXPECTED TIMETABLE

2021

Original counter for trading in Consolidated Shares in new board lots of 20,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Wednesday, 24 March
Parallel trading in the Shares and Consolidated Shares (in the form of existing share certificates and new share certificates) commences	9:00 a.m. on Wednesday, 24 March
Designated broker starts to stand in the market to provide matching services for odd lots of Consolidated Shares	9:00 a.m. on Wednesday, 24 March
Temporary counter for trading in Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Friday, 16 April
Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) ends	4:10 p.m. on Friday, 16 April
Designated broker ceases to stand in the market to provide matching services for odd lots of Consolidated Shares	4:00 p.m. on Friday, 16 April
Last day for free exchange of existing share certificates for new share certificates	4:30 p.m. on Wednesday, 21 April

All times and dates in this circular refer to Hong Kong local times and dates. Dates specified in the expected timetable above are indicative only and may be extended or varied. Any changes to the expected timetable will be announced as and when appropriate.

LETTER FROM THE BOARD



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)

Executive Directors:

Ms. Kwok May Han Grace (*Chairman*)
Mr. Wu Dennis Pak Kit (*Vice Chairman*)

Independent non-executive Directors:

Professor Lam Kin Che
Ms. Wong Yee Lin Elaine
Mr. Li Wing Sum Steven
Mr. Szeto Chi Hang Clive

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business

in Hong Kong:
27/F., Overseas Trust Bank Building
160 Gloucester Road
Wan Chai
Hong Kong

11 February 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION AND
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding details of (a) the Share Consolidation and Change in Board Lot Size; and (b) the notice of EGM.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation by consolidating every two (2) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.02 each.

LETTER FROM THE BOARD

Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each, of which 1,320,000,000 Shares had been allotted and issued as fully paid or credited as fully paid. On 14 January 2021, the Company entered into a placing agreement with the placing agent, pursuant to which the Company has engaged the placing agent to place up to a maximum of 115,000,000 new Shares. As of the Latest Practicable Date, all conditions precedent to the Placing are satisfied and completion of the Placing for 83,020,000 new Shares is scheduled to take place on 8 February 2021. Upon completion of the Placing, the total issued Shares as enlarged by the new Shares allotted and issued under the Placing will be 1,403,020,000 Shares. On this basis and assuming no further Shares will be issued or repurchased from the Latest Practicable Date to the effective date of the Share Consolidation, upon the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$50,000,000 divided into 2,500,000,000 Consolidated Shares of HK\$0.02 each, of which 701,510,000 Consolidated Shares will be in issue.

All Consolidated Shares will rank *pari passu* with each other in all respects and the rights attached to the Consolidated Shares will not be affected by the Share Consolidation.

The Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon:

- (a) the passing by the Shareholders of an ordinary resolution to approve the Share Consolidation at the EGM;
- (b) the compliance with all relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the GEM Listing Rules to effect the Share Consolidation; and
- (c) the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the fulfillment of the above conditions, the Share Consolidation will become effective on 10 March 2021, which is the second Business Day immediately following the date of the EGM.

LETTER FROM THE BOARD

Listing Application

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on Stock Exchange or such other date 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. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Shares or debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

OTHER ARRANGEMENTS

Exchange of share certificates

Subject to the Share Consolidation becoming effective, which is expected to be on 10 March 2021, Shareholders may, during a period between 10 March 2021 and 21 April 2021 (both dates inclusive), submit existing share certificates for the Shares, which are in blue color, to the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited ("**Boardroom**") at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates, which will be in green color. It is expected that new share certificates for the Consolidated Shares will be available for collection within 10 Business Days from the date of submission for the exchange. Thereafter, the existing share certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) for each new share certificate for the Consolidated Shares to be issued or each existing share certificate for the Shares cancelled, whichever the number of certificates issued or cancelled is higher.

Nevertheless, the existing share certificates for the Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but will not be accepted for trading, settlement and registration upon completion of the Share Consolidation.

LETTER FROM THE BOARD

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation, the Company has appointed a securities firm as its designated broker to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Shareholders who wish to take advantage of this facility should contact Fruit Tree Securities Limited at Room 1906, 19/F, China Insurance Group Building, 141 Des Voeux Road, Central, Hong Kong (telephone number: (852) 2110 3390) from 9:00 a.m. on 24 March 2021 to 4:00 p.m. on 16 April 2021.

Holders of odd lots of the Consolidated Shares (if any) should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Fractional Consolidated Shares

Fractional Consolidated Shares (if any) arising from the Share Consolidation will not be issued to the Shareholders otherwise entitled thereto but will be aggregated and sold if possible, for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers and may wish to consider the possibility of buying or selling the Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Shares are currently traded on the Stock Exchange in the board lot size of 10,000 Shares. The Board has resolved to change the board lot size for trading on the Stock Exchange from 10,000 Shares to 20,000 Consolidated Shares conditional upon the Share Consolidation becoming effective. The Change in Board Lot Size will not result in change in the relative rights of the Shareholders. Based on the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the Latest Practicable Date, (i) the market value per board lot of 10,000 Shares is HK\$580; and (ii) the theoretical market value per board lot of 20,000 Consolidated Shares would be HK\$2,320.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

The Shares have predominantly been trading at below HK\$0.1 during the past 12 months. Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01, the issuer may be required

LETTER FROM THE BOARD

to change the trading method or to proceed with a consolidation of its securities. According to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020, (i) market price of the securities of an issuer at a level less than HK\$0.1 will be considered as trading at extremities; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000. In view of the recent trading price of the Shares, the Board considers that after the Share Consolidation and the Change in Board Lot Size have become effective, the theoretical market value of each new board lot will be HK\$2,320.

It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Board considers that the Share Consolidation and the Change in Board Lot Size will reduce the overall transaction and handling costs of dealings in each board lot of the Consolidated Shares and will, in turn, improve the liquidity of the Consolidated Shares since most of the banks/securities houses will charge a minimum transaction cost for each securities transaction.

In view of the above reasons, the Company considers the Share Consolidation and Change in Board Lot Size is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to Shareholders. Accordingly, the Board is of the view that the Share Consolidation and Change in Board Lot Size is beneficial to and in the interests of the Company and the Shareholders as a whole.

The Company has scheduled the completion of the Placing to take place on 8 February 2021 upon which 83,020,000 new Shares are expected to be allotted and issued at the price of HK\$0.065 per Share. The Company has been actively looking for fund raising opportunities for general working capital of the Group, including for payroll of employees, rental payment and office expenses. For such purpose, the Company may, depending on the market conditions, consider conducting further fund raising exercises or other corporate actions in the next twelve months. However, as at the Latest Practicable Date, the Company has no specific plans and has not reached any decision in respect of whether any fund raising exercise or other corporate action will or will not be undertaken, and if so, the manner in which it will be undertaken. Any such fund raising exercise or corporate action will be carried out by the Company in compliance with the GEM Listing Rules. The Company does not have plans for any corporate actions (such as consolidation, sub-division or change in board lot size) which may have an effect of undermining or negating the intended purposes of the Share Consolidation and the Change in Board Lot Size in the next twelve months.

ACTIONS TO BE TAKEN

Set out on pages 11 to 13 of this circular is a notice convening the EGM at which an ordinary resolution will be proposed to consider and approve the proposed Share Consolidation.

LETTER FROM THE BOARD

For determining the entitlement of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 3 March 2021 to Monday, 8 March 2021 (both dates inclusive) during which period no transfer of the Shares will be registered. In order to be qualified for the entitlement to attend and vote at the EGM, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 2 March 2021.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to Boardroom at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. by 11:00 a.m. on 6 March 2021) 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 should you so wish and in such event, the proxy form shall be deemed revoked.

To the best knowledge, information and belief of the Directors, no Shareholder has a material interest in the Share Consolidation and is required to abstain from voting on the resolution for approving the Share Consolidation at the EGM.

VOTING AT THE EGM

All resolutions at the EGM shall be conducted by way of poll, and the results of the EGM will be announced by the Company in compliance with the GEM Listing Rules.

RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

RECOMMENDATIONS

The Board considers that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolution at the EGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Allied Sustainability and Environmental Consultants Group Limited (the “Company”) will be held at 27/F., Overseas Trust Bank Building, 160 Gloucester Road, Wan Chai, Hong Kong on Monday, 8 March 2021 at 11:00 a.m. to consider and, if thought fit, pass the following resolution (with or without amendments) as ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among other things, the granting by the GEM Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue, with effect from the second business day immediately following the date on which this resolution is passed, being a day on which shares of the Company are traded on the Stock Exchange:

- (a) every two (2) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company be consolidated (the “**Share Consolidation**”) into one (1) share of HK\$0.02 each (the “**Consolidated Share(s)**”), and such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company;
- (b) all fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to holders of the same but all such fractional Consolidated Shares will be aggregated and, if possible, sold and retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors be and are hereby authorised to do all such acts, deeds and things and to sign and execute all such documents, including under seal where applicable, on behalf of the Company, as they may, in their absolute discretion, consider necessary, desirable or expedient to implement and give effect to any or all of the foregoing.”

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

Hong Kong, 11 February 2021

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business
in Hong Kong:
27/F., Overseas Trust Bank Building
160 Gloucester Road
Wanchai
Hong Kong

Notes:

1. All resolutions at the EGM will be taken by poll (except where the chairman decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”). The results of the poll will be published on the GEM website at www.hkgem.com and the Company’s website at www.asecg.com in accordance with the GEM Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person (who must be an individual) as his/her/its proxy to attend and vote instead of him/her/it and a proxy so appointed shall have the same right as the shareholder to speak at the meeting. A proxy need not be a shareholder of the Company. A shareholder of the Company who is the holder of two or more Shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the meeting. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant form of proxy.
3. A form of proxy for use at the EGM is enclosed with the circular of the Company dated 11 February 2021. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof.
4. Completion and delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the EGM or any adjournment thereof should they so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any Shares, any one of such joint holder may vote, either in person or by proxy, in respect of such Shares as if he/she/it were solely entitled to vote, but if more than one of such joint holders are present at the EGM, the most senior holder shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of members of the Company in respect of the joint holding.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 3 March 2021 to Monday, 8 March 2021, both dates inclusive, during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Boardroom Share Registrars (HK) Limited, at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 2 March 2021.
7. If typhoon signal no. 8 or above, or a "black" rainstorm warning is hoisted or remains hoisted 7:00 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the GEM website at www.hkgem.com and the Company's website at www.asecg.com to notify shareholders of the Company of the date, time and place of the rescheduled meeting.
8. PRECAUTIONARY MEASURES FOR THE EGM

The health of our shareholders, staff and stakeholders is of paramount importance to us. In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following precautionary measures at the meeting to protect attending shareholders, staff and stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted for every shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the meeting venue or be required to leave the meeting venue.
- (ii) The Company requires each attendee to wear a surgical face mask throughout the meeting and inside the meeting venue, and to maintain a safe distance between seats.
- (iii) No refreshment will be served, and there will be no corporate gift.
- (iv) Each attendee may be asked whether (a) he/she travels outside of Hong Kong within the 14-day period immediately before the EGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue.

In addition, the Company reminds all shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution(s) at the meeting instead of attending the meeting in person, by completing and returning the proxy form attached to this document.

If any shareholder chooses not to attend the meeting in person but has any question about the resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong or to our email at ir@aechk.com. If any shareholder has any question relating to the meeting, please contact Boardroom Share Registrars (HK) Limited, the Company's branch share registrar and transfer office in Hong Kong as follows:

Boardroom Share Registrars (HK) Limited

2103B, 21/F

148 Electric Road, North Point, Hong Kong

Email: SRinfo.hk@boardroomlimited.com

Tel: 2153 1688

Fax: 3020 5058