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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)

SUPPLEMENTAL ANNOUNCEMENT TO ANNUAL REPORTS

References are made to (i) the prospectus of Allied Sustainability and Environmental Consultants Group Limited (“**Company**”, together with its subsidiaries, the “**Group**”) dated 30 September 2016 in relation to the listing (the “**Listing**”) of shares by the Company on the GEM of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”); (ii) the announcements of the Company dated 9 August 2018, 25 March 2019 and 20 December 2019 respectively in relation to the change of the use of net proceeds from the Listing; (iii) the annual report of the Company for the year ended 31 March 2019 (“**2019 Annual Report**”); and (iv) the annual report of the Company for the year ended 31 March 2020 (“**2020 Annual Report**”).

Unless the context requires otherwise, capitalized terms used in this announcement shall have the same meaning as ascribed to them in the 2019 Annual Report and 2020 Annual Report.

The net proceeds, after deducting the underwriting fees, the Stock Exchange trading fee and transaction levy charged by the Securities and Futures Commission for the new shares and estimated listing expenses in connection with the Listing, were approximately HK\$33.4 million (“**Net Proceeds**”).

SUPPLEMENTAL INFORMATION TO THE 2019 ANNUAL REPORT

As disclosed in the announcements of the Company dated 9 August 2018 and 25 March 2019 and the 2019 Annual Report, the allocation of the unutilized Net Proceeds was revised and details of the revised allocation of the Net Proceeds, as well as the utilization of the remaining Net Proceeds, were disclosed in the 2019 Annual Report. To supplement the relevant information in the 2019 Annual Report, the expected timeline for use of the remaining Net Proceeds is set out below:

Allocation of unused Net Proceeds as at 31 March 2019	Amount of Net Proceeds allocated for the purpose <i>HK\$'000</i>	Approximate percentage of total remaining unused Net Proceeds	Actual use of Net Proceeds up to 31 March 2019 <i>HK\$'000</i>	Amount of unused Net Proceeds as at 31 March 2019 <i>HK\$'000</i>	Expected timeline for utilization of the remaining Net Proceeds
Expand into the PRC market through acquisition or establishment of subsidiaries	12,500	64.0%	-	12,500	On or before 31 August 2021
Acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business	3,000	15.3%	-	3,000	On or before 30 September 2019 <i>(Note)</i>
Further expand and develop the Group's services to ESG and further strengthen and expand the Group's in-house team of professional staff	2,176	11.1%	647	1,529	On or before 30 September 2019 <i>(Note)</i>
Provide funding for the Group's working capital and other general corporate purposes	1,868	9.6%	-	1,868	On or before 30 September 2019 <i>(Note)</i>
Total	19,544	100%	647	18,897	

Note: As at 30 September 2019, the Net Proceeds allocated for the purpose had been fully utilized as intended.

As disclosed in the 2019 Annual Report, the actual use of the Net Proceeds was slower than the adjusted planned use of the Net Proceeds as at 31 March 2019 because the progress of PRC and Hong Kong business expansion was slower than expected due to keen competition.

SUPPLEMENTAL INFORMATION TO THE 2020 ANNUAL REPORT

As disclosed in the announcement of the Company dated 20 December 2019 and the 2020 Annual Report, the allocation of the unutilized Net Proceeds was further revised and details of the revised allocation of the Net Proceeds, as well as the utilization of the remaining Net Proceeds, were disclosed in the 2020 Annual Report. To supplement the relevant information in the 2020 Annual Report, the expected timeline for use of the remaining Net Proceeds is set out below:

Allocation of unused Net Proceeds as at 31 March 2020	Amount of Net Proceeds allocated for the purpose <i>HK\$'000</i>	Approximate percentage of total remaining unused Net Proceeds	Actual use of Net Proceeds up to 31 March 2020 <i>HK\$'000</i>	Amount of unused Net Proceeds as at 31 March 2020 <i>HK\$'000</i>	Expected timeline for utilization of the remaining Net Proceeds
Expand into the PRC market through acquisitions or establishment of subsidiaries	7,800	62.4%	-	7,800	On or before 31 August 2021
Provide funding for the Group's working capital and other general corporate purposes	4,700	37.6%	4,700	-	On or before 31 March 2020
Total	12,500	100%	4,700	7,800	

The Group entered into an equity transfer agreement signed on 18 December 2019 in relation to the Acquisition of an aggregate of 35% equity interest of Beijing Dashi Derun Energy Technology Co. Ltd. (北京達實德潤能源科技有限公司) at the total consideration of RMB7,000,000 (equivalent to approximately HK\$7.7 million). The actual use of the remaining Net Proceeds of HK\$7.8 million was slower than planned (i) due to the impact of the novel coronavirus (“COVID-19”) pandemic, which caused the Company to defer its original business plan associated with the Acquisition; and (ii) because of the travel restrictions and quarantine measures under the COVID-19 pandemic, the relevant parties were unable to prepare and obtain various completion documents efficiently. As a result, completion of the Acquisition has not yet taken place as of the date of the 2020 Annual Report. It is expected the unused Net Proceeds will be utilized following the completion of the Acquisition, which is expected to take place on or before 31 August 2021.

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

Hong Kong, 17 August 2020

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.