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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)**

## **DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES**

### **THE DISPOSALS**

The Board is pleased to announce that, on 19 May 2020, the Vendor, being a wholly-owned subsidiary of the Company, has sold 2,280,000 Sanbase Shares, representing approximately 1.14% of the entire issued share capital of Sanbase, on the open market at an aggregate consideration of HK\$1,299,600 (exclusive of transaction costs) at the selling price of HK\$0.57 per Disposal Share. Immediately after the Disposals, the Company remains to hold approximately 0.29% of the entire issued share capital of Sanbase.

### **THE GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposals exceeds 5% but are less than 25%, the Disposals constitute a discloseable transaction of the Company under the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements of the GEM Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

### **THE DISPOSALS**

On 19 May 2020, the Vendor, being a wholly owned subsidiary of the Company, has sold 2,280,000 Sanbase Shares, representing approximately 1.14% of the entire issued share capital of Sanbase, on the open market at an aggregate consideration of HK\$1,299,600 (exclusive of transaction costs) at the selling price of HK\$0.57 per Disposal Share. Before the Disposals, the Company held a total of 2,856,000 Sanbase Shares. Immediately after the Disposals, the Company remains to hold 576,000 Sanbase Shares, representing approximately 0.29% of the entire issued share capital of Sanbase.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the purchaser(s) of the Disposal Shares, Sanbase and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

## CONSIDERATION

The total consideration (exclusive of transaction costs) for the Disposal Shares is HK\$1,299,600, which is receivable in cash on settlement. The consideration for the Disposals represented the market price of the Disposal Shares at the time of Disposals.

The Company intends to use the proceeds from the Disposals as working capital of the Group.

## INFORMATION ON SANBASE

According to the publicly available information, Sanbase is a company incorporated in the Cayman Islands with limited liability and principally engaged in investment holding, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8501). The subsidiaries of Sanbase are principally engaged in provision of interior fit-out management and solutions focusing on Grade A offices in Hong Kong and the PRC. Its main categories of services include: (i) bare shell fit-out; (ii) restacking; (iii) reinstatement; (iv) maintenance and (v) churn work.

The following unaudited and audited financial information is extracted from the latest interim report and the annual reports of Sanbase:

	<b>6 months ended 30 September 2019 HK\$'000 (unaudited)</b>	<b>Year ended 31 March</b>	
		<b>2019 HK\$'000 (audited)</b>	<b>2018 HK\$'000 (audited)</b>
Revenue	347,394	650,455	376,208
Profit before tax	12,508	37,394	11,462
Profit after tax	9,558	30,318	6,911

As extracted from the latest interim report and the annual reports of Sanbase, the consolidated net assets of Sanbase as at 30 September 2019, 31 March 2019 and 31 March 2018 were approximately HK\$140.0 million, HK\$136.8 million and HK\$111.8 million, respectively. The consolidated total assets of Sanbase as at 30 September 2019, 31 March 2019 and 31 March 2018 were approximately HK\$372.5 million, HK\$382.1 million and HK\$191.6 million, respectively.

## **REASONS FOR AND BENEFITS OF THE DISPOSALS**

The Disposals provide the Group with a good opportunity to realise a portion of its investment in Sanbase. The consideration was determined with reference to the prevailing market price of the Sanbase Shares and the Directors consider that the Disposals can enable the Group to realise cash resources to fund the general working capital and enhance liquidity of the Group. After the Disposals, the Group will continue to hold the remaining 576,000 Sanbase Shares for investment purpose.

The Company considered that the remaining investment in Sanbase is a healthy investment since the Company considers that the business prospect of Sanbase is good and the Company intends to cooperate with Sanbase in the future, such as (1) green building projects; (2) smart building projects; (3) acoustics and lighting designs and (4) environmental monitoring services which may produce synergy effect for both companies. The Directors consider that the terms of the Disposals are on normal commercial terms which are fair and reasonable and the Disposals is in the interests of the Company and its Shareholders as a whole.

The Group expected to recognise an unaudited loss of approximately HK\$438,000 (including transaction costs) in the other comprehensive income of the Group from the Disposals which is calculated on the basis of the difference between the fair value of the Disposal Shares as of 31 December 2019 as disclosed in the 3rd quarterly report of the Company and the selling price of the Disposal Shares (including transaction costs).

As none of the Directors has a material interest in the Disposals, and therefore no Director is required to abstain from voting on the relevant board resolutions approving the Disposals.

## **INFORMATION OF THE COMPANY**

The Company is an investment holding company incorporated in the Cayman Islands with limited liability. The principal activities of the Group are 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 PRC.

## GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposals exceeds 5% but are less than 25%, the Disposals constitute a discloseable transaction of the Company under the GEM Listing Rules, and is therefore subject to the reporting and announcement requirements of the GEM Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Board”	the board of Directors of the Company
“Company”	Allied Sustainability and Environmental Consultants Group Limited (沛然環保顧問有限公司), 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)
“connected person(s)”	has the meanings ascribed to it under the GEM Listing Rules
“Directors”	the director(s) of the Company
“Disposals”	the disposal by the Group through a series of transactions on the open market through the Stock Exchange of an aggregate of 2,280,000 Sanbase Shares conducted on 19 May 2020 at an aggregate consideration of approximately HK\$1,299,600 (exclusive of transaction costs)
“Disposal Shares”	2,280,000 Sanbase Shares disposed of by the Vendor on 19 May 2020
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“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
“percentage ratios”	as defined in the GEM Listing Rules
“PRC”	the People's Republic of China, excluding for the purposes of this announcement, Hong Kong, Macau and Taiwan

“Sanbase”	Sanbase Corporation Limited, a company incorporated on 24 March 2017 under the laws of the Cayman Islands as an exempted company with limited liability and the issued shares of which are listed and traded on GEM (stock code: 8501)
“Sanbase Share(s)”	the ordinary share(s) in the share capital of Sanbase
“Shares”	ordinary shares in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	AEC Group Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board  
**Allied Sustainability and Environmental Consultants Group Limited**  
**Kwok May Han Grace**  
*Chairman and Executive Director*

Hong Kong, 19 May 2020

*As at the date of this announcement, the executive Director is Ms. Kwok May Han Grace (Chairman); the non-executive Director is Mr. Wu Dennis Pak Kit; 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 Company Announcements” page of the GEM website at [www.hkgem.com](http://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](http://www.asecg.com).*