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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



ESAM

帝峯證券及資產管理有限公司
EMPERIO SECURITIES AND ASSETS MANAGEMENT LIMITED

THE PLACING AGREEMENT

On 15 May 2020 (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 120,000,000 Placing Shares at the Placing Price of HK\$0.052 per Placing Share to currently expected to be not less than six Placers who are professional, institutional, or other investors who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons. The Placing Shares will be allotted and issued pursuant to the General Mandate.

The maximum number of 120,000,000 Placing Shares represent 10.00% of the existing issued share capital of the Company as at the date of this announcement and approximately 9.09% 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\$6,240,000. The estimated net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$5,200,000 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 15 May 2020 (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 120,000,000 Placing Shares at the Placing Price of HK\$0.052 per Placing Share to currently expected to be not less than six Places who are professional, institutional, or other investors who and whose ultimate beneficial owners are third parties independent of the Company and its connected persons. 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

15 May 2020 (after trading hours)

Issuer

The Company

Placing Agent

Emperio Securities And Assets Management 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.

The Placing and Commission

The Placing Agent has conditionally agreed to place up to an aggregate of 120,000,000 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 15% 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 Placees

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

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 120,000,000 Placing Shares under the Placing represents 10.00% of the issued share capital of the Company as at the date of this announcement, and approximately 9.09% 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\$1,200,000.

Placing Price

The Placing Price is HK\$0.052 per Placing Share, which:

- (a) represents a discount of approximately 10.34% to the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) equals to the average closing price of HK\$0.052 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.

Placing Shares

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 12 August 2019 pursuant to which the Board is authorised to allot, issue and deal with up to 240,000,000 Shares. As at the date of this announcement, the Company had not utilised the General Mandate and the maximum of 120,000,000 Placing Shares under the Placing represents 50.0% 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; and
- (b) the Company having obtained all necessary consents and approvals (if any) 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 15 July 2020, 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 on a Business Day as soon as practicable following the satisfaction of all the Conditions and in any event not later than the third Business Day following the satisfaction of all the Conditions (or at such other time or such later date as may be agreed by the parties in writing).

Termination

Pursuant to the Placing Agreement, if at any time prior to the date of Completion, in the reasonable opinion of the Placing Agent, the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of any of the representations, warranties or undertakings set out under the Placing Agreement; or
- (b) any suspension of dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing and any announcement of the Company); or

- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (f) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands, the British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group; or
- (g) any significant change or deterioration in the conditions of local, national or international securities markets,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company.

In the event that the Placing Agent terminate 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:

- (A) any antecedent breach of any obligation under the Placing Agreement; and
- (B) liabilities under the indemnity provided by the Company to the Placing Agent under the Placing Agreement.

EQUITY FUND RAISING IN THE PAST TWELVE MONTHS

The Company entered into a placing agreement with the Placing Agent on 15 April 2020 for the placing of up to 150,000,000 placing shares at the price of HK\$0.049 per placing share under the General Mandate to not less than six places. The aforesaid placing agreement lapsed on 30 April 2020 and no Share was placed thereunder. Please refer to the announcements of the Company dated 15 April 2020 and 29 April 2020 for details.

Save as disclosed, the Company had not conducted any fund-raising activities involving the issue of its equity securities in the 12 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	
	No. of Shares	Approx. percentage	No. of Shares	Approx. percentage
Kwok May Han Grace ("Ms. Kwok") (Note)	728,631,600	60.72%	728,631,600	55.20%
Wu Dennis Pak Kit ("Mr. Wu") (Note)	728,631,600	60.72%	728,631,600	55.20%
Gold Investments Limited ("Gold Investments")	721,701,600	60.14%	721,701,600	54.67%
The Placees	—	—	120,000,000	9.09%
Public				
Public Shareholders	<u>471,368,400</u>	<u>39.28%</u>	<u>471,368,400</u>	<u>35.71%</u>
Total	<u>1,200,000,000</u>	<u>100%</u>	<u>1,320,000,000</u>	<u>100%</u>

Note:

Among these Shares, 2,460,000 Shares are held by Ms. Kwok, 4,470,000 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 minimum 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\$6,240,000 and approximately HK\$5,200,000 respectively. On such basis, the net issue price will be approximately HK\$0.043 per Placing Share. The Company intends to apply the net proceeds for the general working capital of the Group.

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”	a day (other than a Saturday, Sunday and public holidays) on which licensed banks in Hong Kong are generally open for general business in Hong Kong
“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 12 August 2019 to allot, issue and deal with up to a maximum of 240,000,000 Shares

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 120,000,000 Placing Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Emperio Securities and Assets Management Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 15 May 2020 in relation to the Placing
“Placing Price”	HK\$0.052 per Placing Share
“Placing Shares”	up to a maximum of 120,000,000 new Shares to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Cap. 571 of Hong Kong Laws)
“Shares”	ordinary shares of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of Shares
“%”	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, 15 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 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.