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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)**

## **CHANGE OF USE OF PROCEEDS**

Reference is made to the prospectus dated 30 September 2016 (the “**Prospectus**”) relating to the listing (the “**Listing**”) of the shares of Allied Sustainability and Environmental Consultants Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) on GEM of The Stock Exchange of Hong Kong Limited. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus and the annual report for the year ended 31 March 2018 (the “**Annual Report 2018**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to announce that on 9 August 2018, it has resolved to change the use of the net proceeds from the Listing.

### **USE OF PROCEEDS**

The net proceeds from the Listing (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 Placing, were approximately HK\$33.4 million.

### **CHANGE IN USE OF PROCEEDS**

As at the date of this announcement, the Company has unutilised Net Proceeds of approximately HK\$23.6 million. In order to enhance the existing business development, the Board resolved to change (the “**Change**”) the allocation of the proposed use of the proceeds.

Details of the original allocation of the Net Proceeds, the actual use of the Net Proceeds and the revised allocation of the Net Proceeds as at the date of this announcement are set out as follows:

Proposed use of Net Proceeds	Original allocation of the Net Proceeds <i>HK\$'000</i>	Approximate percentage of total Net Proceeds	Unused Net Proceeds		Revised use of Net Proceeds	Revised allocation of unused Net Proceeds (after the Change) <i>HK\$'000</i>	Reasons for the revised use and allocation of Net Proceeds
			Actual use of Net Proceeds up to 31 July 2018 <i>HK\$'000</i>	Proceeds up to 31 July 2018 (before the Change) <i>HK\$'000</i>			
Expand into the PRC market through acquisition or establishment of subsidiaries	13,358	40%	45	13,313	No Change	13,313	
Expand through strategic mergers and acquisitions in Hong Kong	6,679	20%	–	6,679	Acquisition and development of subsidiaries in Hong Kong for acoustics and lighting business	5,800	The revised use of proceeds is to better reflect the Company's current direction of expansion. The allocation of proceeds is adjusted downward because under the recent preliminary term-sheet discussion in relation to an acquisition of a target company, the cash consideration is not expected to exceed HK\$5.8 million.
Further expand and develop the Group's services to ESG	6,679	20%	3,708	2,971	Strengthen ESG and environmental project team to expand and develop both ESG consultancy and environmental consultancy business	3,634	The revised use and allocation of proceeds is to combine the resources of both ESG consultancy and environmental consultancy business in order to expand the business in an effective and efficient manner.
Further strengthen and expand the Group's in-house team of professional staff	5,010	15%	4,347	663			
Provide funding for the Group's working capital and other general corporate purposes	1,670	5%	1,670	–	Transferred from the original purpose of strategic mergers and acquisitions in Hong Kong	879	The extra amount of HK\$879,000 (available from the reduced amount of HK\$5.8 million used in mergers and acquisitions in Hong Kong) is applied towards the Group's working capital and general corporate purposes since the Company anticipates that it is unlikely to identify another suitable acquisition target in the near future.
<b>Total</b>	<b>33,396</b>	<b>100%</b>	<b>9,770</b>	<b>23,626</b>		<b>23,626</b>	

## **REASON FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS**

The Board constantly evaluates the trends of environmental consultancy and environmental, social and governance (“**ESG**”) consultancy industry and the global economic condition to determine the most efficient and effective method to deploy the Group’s resources. Prior to Listing, the Company originally planned to expand ESG consultancy business by setting up a team specialised on ESG consultancy which include an associate director, principal consultants and consultants. After Listing and continuous operation of ESG consultancy business, it transpired that it would be more effective to expand both environmental consultancy and ESG consultancy business when the resources are combined because the professional staff have similar background and knowledge and they can work across the ESG and environmental sector according to the project timeline. The Board believes that there will be a continuing demand for both environmental consultancy and ESG consultancy services.

As at the date of this announcement, the Board confirms that there are no material changes in the nature of business of the Group as set out in the Prospectus. The Board considers that the above adjustment to the use of proceeds will more effectively cater for the Group’s financial and business needs and is in the best interests of the Company and its shareholders as a whole.

Save as aforesaid, there is no other change of use of the proceeds as disclosed in the Prospectus and Annual Report 2018.

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

Hong Kong, 9 August 2018

*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 and Mr. Li Wing Sum Steven.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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).*