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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**

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The Company proposes to implement (i) 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 and (ii) the Change in Board Lot Size to change the board lot size from 10,000 Shares to 20,000 Consolidated Shares. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the EGM.

GENERAL

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation.

The circular containing, among other things, further details of the Share Consolidation and the change in board lot size and a notice of the EGM is expected to be despatched to the Shareholders on or before Thursday, 11 February 2021.

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.

Effect of the Share Consolidation

As at the date of this announcement, 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. For details of the Placing, please refer to the announcement of the Company dated 14 January 2021. Subject to the satisfaction of the conditions precedent of the Placing, completion of the Placing is expected to take place on or before 4 February 2021. Assuming the maximum number of new Shares is placed, upon completion of the Placing, the total issued Shares as enlarged by the new Shares allotted and issued under the Placing will be 1,435,000,000 Shares. On this basis and assuming no further Shares will be issued or repurchased from the date of this announcement up 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 717,500,000 Consolidated Shares will be in issue. However, if completion of the Placing does not take place or is otherwise delayed to a date after the effective date of the Share Consolidation, and assuming no further Shares will be issued or repurchased from the date of this announcement 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 660,000,000 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 date of this announcement.

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.

Dealings of the Consolidated Shares

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. 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 the 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.

Listing Application

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

None of the Shares 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 branch share registrar of the Company in Hong Kong, Boardroom Share Registrars (HK) Limited at 2103B, 21/F, 148 Electric Road, North Point, Hong Kong, to exchange, at the expense of the Company, for new share certificates for the Consolidated Shares, 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.

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 will appoint a securities firm to provide matching service, 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. Details of the odd lot arrangement will be set out in the circular to be despatched to the Shareholders.

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 date of this announcement, the Shares are currently traded on the Stock Exchange in the board lot size of 10,000 Shares. The Board proposes 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\$0.062 per Share as quoted on the Stock Exchange on the date of this announcement, (i) the market value per board lot of 10,000 Shares is HK\$620; and (ii) the theoretical market value per board lot of 20,000 Consolidated Shares would be HK\$2,480.

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 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\$2,480.

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 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 is conducting the Placing and may, depending on the market conditions, consider conducting further fund raising exercises or other corporate actions in the next twelve months.

EXPECTED TIMETABLE

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

2021

Despatch of circular and proxy form for the EGM Thursday, 11 February

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” above.

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

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 and time 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 announcement 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.

GENERAL

The EGM will be convened and held to consider, and if thought fit, to approve, among other things, the Share Consolidation. The circular containing, among other things, further details of the Share Consolidation and the Change in Board Lot Size and a notice of the EGM is expected to be despatched to the Shareholders on or before Thursday, 11 February 2021.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions in relation to the Share Consolidation to be proposed at the EGM.

The Share Consolidation is conditional upon, among other things, (i) the passing of an ordinary resolution by the Shareholders at the EGM; and (ii) the Stock Exchange granting the approval for listing of, and permission to deal in, the Consolidated Shares. In the event that the relevant approval is not granted by the Stock Exchange or the Shareholders, the Share Consolidation will not proceed.

DEFINITIONS

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

“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, as from time to time
“Change in Board Lot Size”	the change in board lot size from 10,000 Shares for trading on the Stock Exchange 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
“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
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Shareholder(s)”	the holder(s) of the Share(s) or the Consolidated Share(s), as the case may be
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 22 January 2021

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.