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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)

**VOLUNTARY ANNOUNCEMENT
FORMATION OF A JOINT VENTURE**

This announcement is made by Allied Sustainability and Environmental Consultants Group Limited (the “**Company**” together with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that on 18 February 2021, the Company, Luk Advisor Limited (“**Luk Advisor**”) and Mr. Cho Shiu Ming (“**Mr. Cho**”) entered into a joint venture agreement (the “**JV Agreement**”) for the establishment of a joint venture company named Marine Sustainature Limited (“**Marine Sustainature**”) which is 51% owned by the Company, 39% owned by Luk Advisor and 10% owned by Mr. Cho. The initial capital of Marine Sustainature is approximately HK\$1 million and will obtain follow-up rounds of funding from different green technology incubation programs and marine conservation funds and prestigious venture capital firms to speed up the disruptive technology developments and growth of Marine Sustainature. Marine Sustainature is principally engaged in the application of different deep technologies including computer vision artificial intelligence (“**AI**”), data science, software engineering to provide solutions and services in marine conservation, biodiversity protection, marine facility and infrastructure survey as well as water quality monitoring and control. This includes but not limited to marine species monitoring, real time water quality monitoring and marine data analytics etc. in Hong Kong and Guangdong-Hong Kong-Macao Greater Bay Area.

INFORMATION ABOUT LUK ADVISOR

Luk Advisor is an AI start-up company incorporated in Hong Kong and has a branch office locating in Dongguan. It is specialised in data analytics and AI computer vision. It offers all-round services to fuel sustainable transformation and innovation. It is incubated from Hong Kong Cyberport Incubation and was admitted by National Taiwan University Corporate Accelerator Program. Luk Advisor develops its own computer vision and AI monitoring systems, and has cooperated with Ocean Park Hong Kong.

Mr. Luk Wing San (“**Mr. Luk**”) is one of the co-founders and the chief executive officer of Luk Advisor. He has in-depth knowledge in deep learning computer vision technologies, as well as software development. He worked in Huawei Noah’s Ark Lab and Uber Technologies Inc.. With the leadership of Mr. Luk, Luk Advisor became one of the hottest AI companies widely recognized in international competitions and hackathons and a profitable company. Luk Advisor has won ten awards, including the Champion in Dongguan Cup International Industrial Design Competition in AI & Robotics category and Merit Award in China Mobile OneNet Competition etc.. Details of the awards can be founded in Luks Advisor’s website, lukadvisor.tech.

INFORMATION ABOUT THE COMPANY

The Company is an investment holding company which is the first sustainability and environmental consultancy service provider in Hong Kong listed on GEM of the Stock Exchange of Hong Kong Limited. Its subsidiaries are 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 (“**ESG**”) reporting consultancy in Hong Kong, Macau and the People’s Republic of China. The Group strives to provide one-stop on-demand services for customers covering five areas, including (a) green and healthy building; (b) acoustics, audiovisual, lighting and theatre planning; (c) environmental consultancy and sustainable design; (d) green finance, sustainability strategies and ESG; and (e) Smart & Green Internet of Things (IoT). The Company is developing new services on the provision of advisory services on sustainable financing, investment management, capital raising and real estate in the Asia Pacific area.

BENEFITS OF AND REASONS FOR ENTERING INTO THE JV AGREEMENT

The joint venture between the Company, Luk Advisor and Mr. Cho involves the Group's environmental consultancy expertise and Luk Advisor's expertise in putting AI and data science in various industrial fields and applications, including financial services, flora and fauna monitoring as well as digital marketing etc.. The Group believes that the formation of the joint venture will create synergies for the Group's business development, correlate and bolster the Group's current environmental expertise and enhance its services, which shall in turn strengthen the Group's Smart & Green IoT strategies and environmental consulting business segment and establish a niche in the increasingly competitive market.

The Board believes that the formation of the joint venture will benefit the future business development of the Group. The Board is of the view that the terms of the JV Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As all of the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the establishment of the Joint Venture and the transactions contemplated under the JV Agreement are less than 5% and no new shares of the Company will be issued, the entering into of the JV Agreement and the transactions contemplated thereunder are not subject to announcement nor shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

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

Hong Kong, 18 February 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 Company Announcements” page of 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.