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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)

2023/24 FIRST QUARTERLY RESULTS ANNOUNCEMENT

The board of directors (the “**Directors**” and the “**Board**”, respectively) of Allied Sustainability and Environmental Consultants Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) announces the unaudited first quarterly results of the Group for the three months ended 30 June 2023. This announcement, containing the full text of the 2023/24 First Quarterly Report of the Company (the “**2023/24 First Quarterly Report**”), complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM**” and the “**GEM Listing Rules**”, respectively) in relation to the information to be disclosed in the preliminary announcement of first quarterly results. Printed version of the 2023/24 First Quarterly Report containing the information required by the GEM Listing Rules will be despatched to the shareholders of the Company in due course.

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

Hong Kong, 9 August 2023

As at the date of this announcement, the Executive Directors are Ms. Kwok May Han Grace (Chairman) and Mr. Wu Dennis Pak Kit (Chief Executive Officer); 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 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 Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its publication. This announcement will also be published on the Company’s website at www.asecg.com.

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Allied Sustainability and Environmental Consultants Group Limited (the “Company”, and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (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 report 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 report misleading.



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Financial Highlights

Revenue of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2023 amounted to approximately HK\$11.2 million while gross profit of the Group for the same period amounted to approximately HK\$5.0 million.

The net profit after tax of the Group for the three months ended 30 June 2023 amounted to approximately HK\$0.1 million, as compared with the net profit after tax of approximately HK\$0.4 million for the three months ended 30 June 2022. The decrease in net profit after tax was mainly due to the absence of the government subsidies under the “Employment Support Scheme”.

The board of Directors (the “Board”) has resolved not to declare the payment of any dividend for the three months ended 30 June 2023 (three months ended 30 June 2022: Nil).

The Board announces the unaudited first quarterly consolidated results of the Group for the three months ended 30 June 2023 (the “Period”), together with the relevant comparative unaudited figures for the corresponding period in 2022, which have not been audited or reviewed by the independent auditor but have been reviewed and approved by the audit committee of the Company (the “Audit Committee”), as follows:

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30 June 2023

		Unaudited Three months ended 30 June	
	Note	2023 HK\$'000	2022 HK\$'000
Revenue	4	11,189	11,548
Cost of services provided		(6,197)	(6,531)
Gross profit		4,992	5,017
Other income, gains and losses, net		426	1,273
Administrative expenses		(5,070)	(5,426)
Finance costs	5	(122)	(78)
Share of results of joint ventures		(5)	–
Net provision for impairment on trade receivables and contract assets		(74)	(395)
Profit before income tax	6	147	391
Income tax expense	7	–	(21)
Profit for the Period		147	370
Profit for the Period attributable to:			
Owners of the Company		152	371
Non-controlling interests		(5)	(1)
		147	370

Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 30 June 2023

		Unaudited Three months ended 30 June	
		2023	2022
Note		HK\$'000	HK\$'000
Other comprehensive (expense)/income			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
	– Exchange differences arising on translation of foreign operations	(247)	–
Other comprehensive (expense)/income for the Period, net of income tax		(247)	–
Total comprehensive (expense)/income for the Period		(100)	370
Total comprehensive (expense)/income for the Period attributable to:			
	Owners of the Company	(95)	371
	Non-controlling interests	(5)	(1)
		(100)	370
Earnings per share attributable to owners of the Company			
	– Basic earnings per share (HK cents)	0.02	0.05
	– Diluted earnings per share (HK cents)	0.02	0.05

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 30 June 2023

	Attributable to owners of the Company									
	Share capital HK\$'000	Other reserve HK\$'000	Revaluation reserve HK\$'000	Translation reserve HK\$'000	Shares held under Share Award Scheme HK\$'000	Shares award reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2022	14,030	68,496	(281)	305	(3,206)	405	(5,882)	73,867	47	73,914
Profit for the Period	-	-	-	-	-	-	371	371	(1)	370
Total comprehensive income for the Period	-	-	-	-	-	-	371	371	(1)	370
Purchase of shares under share award scheme	-	-	-	-	(801)	-	-	(801)	-	(801)
Equity-settled share-based payments	-	-	-	-	-	149	-	149	-	149
Lapsed shares	-	-	-	-	-	(50)	50	-	-	-
At 30 June 2022	14,030	68,496	(281)	305	(4,007)	504	(5,461)	73,586	46	73,632
At 1 April 2023	14,030	68,470	(398)	(122)	(3,626)	381	(9,144)	69,591	22	69,613
Profit for the Period	-	-	-	-	-	-	152	152	(5)	147
Other comprehensive (expense)/ income for the Period:										
Exchange differences arising on translation of foreign operations	-	-	-	(247)	-	-	-	(247)	-	(247)
Total comprehensive (expense)/ income for the Period	-	-	-	(247)	-	-	152	(95)	(5)	(100)
Arising from incorporation of non-wholly owned subsidiaries	-	-	-	-	-	-	-	-	40	40
Equity-settled share-based payments	-	-	-	-	-	203	-	203	-	203
At 30 June 2023	14,030	68,470	(398)	(369)	(3,626)	584	(8,992)	69,699	57	69,756

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

1. Corporate Information and Basis of Preparation

(a) Corporate information

Allied Sustainability and Environmental Consultants Group Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The Company’s subsidiaries were 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 “PRC”).

In the opinion of the directors of the Company, the ultimate holding company is Gold Investments Limited, a company incorporated in the British Virgin Islands (the “BVI”). Ms. Kwok May Han Grace (“Ms. Kwok”) and Mr. Wu Dennis Pak Kit (“Mr. Wu”), Executive Directors of the Company, being the controlling shareholders of Gold Investments Limited, are the ultimate controlling parties of the Company.

(b) Basis of preparation of the unaudited condensed consolidated financial statements

The Group’s unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange. The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2022/23 annual financial statements except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 April 2023. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements.

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

1. Corporate Information and Basis of Preparation (Continued)

(b) Basis of preparation of the unaudited condensed consolidated financial statements (Continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the Period in which the estimate is revised if the revision affects only that period, or in the Period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on these financial statements and major sources of estimation uncertainty are discussed in note 3.

All significant intragroup transactions and balances have been eliminated on consolidation.

2. Accounting Policies

The accounting policies and methods of computation used in the Financial Information are the same as those followed in the preparation of the audited consolidated financial statements of the Group for the year ended 31 March 2023 included in the annual report 2022/23.

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

3. Significant Accounting Estimates and Judgements

In the adoption of the Group's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the Period in which the estimate is revised if the revision affects only that period, or in the Period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

(i) Contract revenue from provision of consultancy services

Revenue recognition from provision of consultancy services is dependent on the estimation of the progress of the satisfaction of performance obligation of a service contract over time. Based on the Group's past experience and the nature of the contract activities undertaken by the Group, there are significant judgements exercised by the management of the Group in determining the budgeted costs of each contract and the progress towards complete satisfaction of the performance obligation and the amount of revenue from the provision of consultancy services recognised.

(ii) Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for trade receivables and contract assets. The provision rates are based on the Group's historical settlement experience as groupings of various debtors that have similar loss patterns.

The provision matrix is based on the provision rates, taking into forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually.

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

4. Revenue

For management purposes, the Group is organised into different business units based on their services and has four reportable operating segments as follows:

- (a) Green building certification consultancy segment involves consultancy on the application of green building certification for new buildings, existing buildings and interiors of buildings;
- (b) Sustainability and environmental consultancy segment involves consultancy on sustainability and environmental impact assessment for compliance with statutory requirements in relation to environmental impact and pollution control;
- (c) Acoustics, noise and vibration control and audio-visual design consultancy segment involves designs for architectural acoustic, mechanical vibration, noise control and audio-visual systems; and
- (d) ESG reporting and consultancy segment involves ESG reporting and consultancy.

	Unaudited Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
An analysis of the Group's revenue during the Period is as follows:		
Revenue from provision of		
Green building certification consultancy	6,858	6,375
Sustainability and environmental consultancy	2,041	2,819
Acoustics, noise and vibration control and audio-visual design consultancy	1,000	1,185
ESG reporting and consultancy	1,290	1,169
	11,189	11,548

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

5. Finance Costs

	Unaudited Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Interest on bank loans	74	65
Interest on lease liabilities	48	13
	122	78

6. Profit before Income Tax

The Group's profit before income tax is arrived at after charging:

	Unaudited Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Amortisation of intangible assets	35	35
Depreciation of property, plant and equipment	109	197
Depreciation of right-of-use assets	895	1,000
Employee benefit expense (including directors' emoluments):		
– Salaries, allowances, discretionary bonus and benefits in kind	7,851	6,561
– Retirement benefit scheme contributions (defined contribution scheme)	266	250
(Reversal of)/provision for impairment on trade receivables, net	(21)	395
Provision for impairment on contract assets, net	95	–

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

7. Income Tax Expense

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI (three months ended 30 June 2022: Nil).

There is no tax effect relating to other comprehensive income for the Period.

Under the two-tiered profits tax rates regime of the Hong Kong Profits Tax, the first HK\$2,000,000 of profits of the qualifying group entity will be taxed at 8.25% during the Period and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of the Group entities not qualifying for the two-tiered profit tax rates regime will continue to be taxed at a flat rate of 16.5% during the Period.

PRC Corporate Income Tax has been provided at the rate of 25% (three months ended 30 June 2022: 25%) on the estimated assessable profits arising in the PRC for the Period.

	Unaudited Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Current – Hong Kong Profits Tax		
Charge for the Period	–	52
Deferred tax – net effect		
Income tax expense for the Period	–	(31)
	–	21

8. Earnings per Share Attributable to Owners of the Company for the Period

Basic earnings per share

The calculation of the basic earnings per share attributable to owners of the Company is based on the following data:

	Unaudited Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Profit for the Period attributable to owners of the Company used in the calculation of basic earnings per share	152	371

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

8. Earnings per Share Attributable to Owners of the Company for the Period (Continued)

Basic earnings per share (Continued)

	Unaudited Three months ended 30 June	
	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares:		
Issued ordinary shares at the beginning of period	694,196,677	690,306,666
Net effect of Shares (purchased in the open market)/issued to the grantees under Share Award Scheme	–	(6,355,556)
Weighted average number of ordinary shares for the purpose of the basic earnings per share	694,196,677	683,951,110

Diluted earnings per share

The calculation of the diluted earnings per share attributable to owners of the Company is based on profit for the Period attributable to owners of the Company and the adjusted weighted average number of ordinary shares outstanding of which are adjusted to assume exercise or conversion of all dilutive potential ordinary shares.

	Unaudited Three months ended 30 June	
	2023 HK\$'000	2022 HK\$'000
Profit for the Period attributable to owners of the Company used in calculating diluted earnings per share	152	371

Notes to the Unaudited Condensed Consolidated Financial Information

For the three months ended 30 June 2023

8. Earnings per Share Attributable to Owners of the Company for the Period (Continued)

Diluted earnings per share (Continued)

	Unaudited Three months ended 30 June	
	2023 Number of shares	2022 Number of shares
Weighted average number of ordinary shares:		
Weighted average number of ordinary shares for the purpose of the basic earnings per share	694,196,677	683,951,110
Adjustments for calculation of diluted earnings per share	N/A	N/A
Adjusted weighted average number of ordinary shares for the purpose of the diluted earnings per share	694,196,677	683,951,110

As at 30 June 2023 and 2022, the Company had outstanding restricted shares awarded to selected participants under the Share Award Scheme. For such outstanding restricted shares, the number of shares that would have been issued assuming the exercise of the share award less the number of shares that could have been issued at fair value (determined as the weighted average amount per employee to be recognised over the remainder of the vesting period for employee services to be rendered per share) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share for the three months ended 30 June 2022.

The computation of diluted earnings per share during the three months ended 30 June 2023 does not assume the exercise of the share award because the assumed grant of shares in relation to the share award scheme has anti-dilutive effect to the basic earnings per share.

9. Dividends

The Board has resolved not to declare the payment of any dividend in respect of the three months ended 30 June 2023 (three months ended 30 June 2022: Nil).

Management Discussion and Analysis

Industry Review

The Group sees potential opportunities of providing green building certification consultancy and sustainability and environmental consultancy services with the metropolization and surging population in Hong Kong. The Environmental Protection Department of Hong Kong, along with other related government departments, have implemented various laws to regulate environmental issues, such as the Environmental Impact Assessment Ordinance (《環境影響評估條例》) (Chapter 499 of the laws of Hong Kong) which has made the preparation of the environmental impact assessment report a mandatory requirement before the construction and operation of various types of designated projects. Moreover, environmental impact assessment usually forms part of the planning application under the Town Planning Ordinance (《城市規劃條例》) (Chapter 131 of the laws of Hong Kong) or is required as one of the conditions of development projects.

The Buildings Energy Efficiency Ordinance (《建築物能源效益條例》) (Chapter 610 of the laws of Hong Kong) imposes mandatory control requirements for building development works in Hong Kong on building developers and owners. It indicates the importance of energy saving performance of both public and residential buildings and leads to a demand for sustainability and environmental consultancy and green building certification consultancy services. The Hong Kong Government has also issued (i) the Practice Note of Sustainable Building Design Guidance to enhance the quality and sustainability of the built environment in Hong Kong; (ii) the Works Technical Circulars of Green Government Building to integrate green features in government managed buildings; and (iii) the Energy Saving Plan (《香港都市節能藍圖》) to cap the energy consumption of buildings and form the basis of general development schemes or reports related to the energy saving strategy in Hong Kong. It imposes a mandatory requirement on new government buildings with construction floor area of (i) more than 5,000 square metres with central air conditioning or (ii) more than 10,000 square metres to achieve at least BEAM Plus Gold. The Hong Kong Housing Authority also requires public housing development to obtain BEAM Plus Gold award or above to distinct green housing design. According to the Residential Properties (First-hand Sales) Ordinance (《一手住宅物業銷售條例》) (Chapter 621 of the laws of Hong Kong), a BEAM Plus certification is required in order to obtain the concession on gross floor area for certain green and amenity features in development projects.

The Hong Kong Government has announced Hong Kong's Climate Action Plan 2050 (《香港氣候行動藍圖2050》), which includes the Hong Kong Roadmap on Popularization of Electric Vehicles (《香港電動車普及化路線圖》), Net-zero Electricity Generation, Energy Saving, and Green Buildings, infrastructures towards decarbonization to catch up with global efforts to address sustainability and climate change.

Management Discussion and Analysis

Business Review

The Company's subsidiaries are specialised in providing (i) green building certification consultancy; (ii) sustainability and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; and (iv) ESG reporting and consultancy. The four business segments contributed approximately 61.3%, 18.2%, 9.0% and 11.5% to the Group's total revenue for the three months ended 30 June 2023, respectively. For the three months ended 30 June 2023, the Group derives the majority of its revenue from green building certification consultancy, and sustainability and environmental consultancy.

Green Building Certification Consultancy

This segment mainly provides environmental design and one-stop certification application services for developers and owners to enhance environmental performance and sustainability of their buildings. The Group provides professional consultancy services for its customers to meet global green building standards, including but not limited to Building Environmental Assessment Method (BEAM/BEAM Plus), Leadership in Energy and Environmental Design (LEED) and China Green Building Design Label (China GBL). As at 30 June 2023, the Group had 279 (as at 31 March 2023: 270) engagements with clients which mainly comprised property developers, contractors, architects, designers and government departments.

Sustainability and Environmental Consultancy

This segment is mainly engaged in the provision of sustainable design solutions to architects for urban regeneration, sustainable development and integrated planning. The solutions include but not limited to providing environmental impact assessment, noise impact assessment, air quality impact assessment, air ventilation assessment, carbon/energy audit and built environmental study. As at 30 June 2023, the Group had 111 (as at 31 March 2023: 107) projects on hand which were mainly from property developers, contractors, architects, designers and government departments.

Acoustics, Noise and Vibration Control and Audio-visual Design Consultancy

This segment provides services to assist architects and engineers to test and evaluate environmental performance of various materials and products for buildings. The services include but are not limited to architectural acoustics, building acoustics, mechanical service and airborne noise control, sound reinforcement and public address system, architectural and facade lighting system as well as theatre planning and stage equipment system. As at 30 June 2023, the Group had 78 (as at 31 March 2023: 77) projects on hand which were mainly from property developers, architects and designers.

Management Discussion and Analysis

Business Review (Continued)

ESG Reporting and Consultancy

This segment provides consultancy services on ESG Reporting for companies listed on the Stock Exchange, which is required by the Stock Exchange to encourage listed companies to identify and disclose ESG issues and key performance indicators that are non-financial information but reflect significant environmental and social impacts, and ultimately influence the assessments and decisions of the stakeholders. The Group provides comprehensive solution from identifying the material aspects of ESG issues and formulating ESG implementation plan to the preparation of an ESG report. Recently, a one-stop ESG online management platform, namely Sustainature, has been launched that simplifies the process of ESG data processing for enterprises of all types, analyzes and manages data in one place, and helps generating ESG reports in compliance with the requirements of the Stock Exchange. As at 30 June 2023, the Group had 47 (as at 31 March 2023: 57) projects on hand across various industries.

Prospects

Sustainability is undergoing continuous debate and has become an unavoidable commitment, both locally and worldwide. Furthermore, the focus would shift to NetZero and decarbonization. Digitalization, green finance, and sustainable city design and infrastructure are acknowledged as already accessible alternatives. The government is keeping an eye on the issue. The Budget for 2023–24 highlights key measures on quality development, livable cities, and housing land. The Budget announces the formation of a Council for Carbon Neutrality and Sustainable Development to advise on decarbonization methods for building a green metropolis. To launch an International GreenTech and GreenFi Centre, the government will organize a Green Technology and Finance Development Committee to formulate an action plan including green technology, green finance, green standard certification, and other topics. In addition, HK\$75 million has been set aside to study the establishment of the Building Testing and Research Institute, the construction of advanced construction industry buildings, and the strengthening of the supply chain of Modular Integrated Construction (MiC) modules to promote the development of innovation and technology applications in the construction industry.

Management Discussion and Analysis

Prospects (Continued)

Across the globe, well-known international sustainability benchmarking organizations announced new tools and efforts for ESG reporting and decarbonization acceleration. Global Real Estate Sustainability Benchmark (GRESB), for example, announced a shift in focus to NetZero, Physical Climate Risk, and Transition Risk Diversity, Equity, and Inclusion and developed a new tool to elevate reporting transparency, particularly product- and entity-level ESG characteristics, to ensure greater transparency around investments flowing towards more sustainable businesses. The Intergovernmental Panel on Climate Change (IPCC) report issued an urgent call to the industry on decarbonization to provide a sustainable and resilient future for all global people. The IPCC Lead has shown how we may draw greenhouse gases and distinguish between NetZero and Zero emissions. The International Sustainability Standards Board (ISSB) just unveiled a new article on Initial IFRS Sustainability Disclosure Standards for the whole sustainability area. The initiative includes emerging and developing economies and smaller businesses in the sustainability crusade by collaborating with local specialized skills to understand local market demands.

As a result of this international development, the Hong Kong Stock Exchange has proposed that all listed issuers shall make mandatory climate-related disclosures in their ESG reports and introduce new climate-related disclosures aligned with the ISSB Climate Standard, which has served as a global baseline for sustainability reporting. These recommendations represent a substantial step towards meeting the Hong Kong Green and Sustainable Finance Cross-Agency Steering Group's pledge to mandate TCFD-aligned disclosures by 2025.

As a Hong Kong-based professional sustainability and environmental consulting firm, the Group welcomes and supports the Government's and international bodies' initiatives to move towards the Dual Carbon Goal and promote Green and Low-carbon technology development in order to accelerate the green transformation. The Group provides a comprehensive range of ESG consulting services, including ESG compliance and due diligence for local and international reporting requirements and ESG enhancement services for global sustainability efforts. The Group will continue to provide consultancy services such as green building certification, green finance, ESG, green technology, and sustainability development, as well as collaborate with all sectors to create a more liveable and sustainable city and achieve our shared goal of carbon neutrality.

Management Discussion and Analysis

Financial Review

Revenue

The total revenue of the Group decreased from approximately HK\$11.5 million for the three months ended 30 June 2022 to approximately HK\$11.2 million for the three months ended 30 June 2023, representing a decrease of approximately 3.1%. As at 30 June 2023, the Group had 515 projects on hand, the aggregate contract sum of which amounted to approximately HK\$230.2 million.

The revenue of green building certification consultancy increased by 7.6% from approximately HK\$6.4 million for the three months ended 30 June 2022 to approximately HK\$6.9 million for the three months ended 30 June 2023, which was mainly due to recovery from COVID-19 outbreak.

The revenue of sustainability and environmental consultancy decreased by 27.6% from approximately HK\$2.8 million for the three months ended 30 June 2022 to approximately HK\$2.0 million for the three months ended 30 June 2023, which was mainly due to slowdown in the progress of some ongoing projects.

The revenue of acoustics, noise and vibration control and audio-visual design consultancy decreased by approximately 15.6% from approximately HK\$1.2 million for the three months ended 30 June 2022 to approximately HK\$1.0 million for the three months ended 30 June 2023, which was mainly due to slowdown in the progress of some ongoing projects.

The revenue of ESG reporting and consultancy increased by approximately 10.4% from approximately HK\$1.2 million for the three months ended 30 June 2022 to approximately HK\$1.3 million for the three months ended 30 June 2023, which was mainly due to recovery from COVID-19 outbreak.

Management Discussion and Analysis

Financial Review (Continued)

Revenue (Continued)

The table below sets forth the breakdown of the revenue by segments for the three months ended 30 June 2023 and 2022 respectively:

	Unaudited Three months ended 30 June					
	2023		2022		Increase/(decrease)	
	HK\$'000	%	HK\$'000	%	HK\$'000	%
Green building certification consultancy	6,858	61.3	6,375	55.2	483	7.6
Sustainability and environmental consultancy	2,041	18.2	2,819	24.4	(778)	(27.6)
Acoustics, noise and vibration control and audio-visual design consultancy	1,000	9.0	1,185	10.3	(185)	(15.6)
ESG reporting and consultancy	1,290	11.5	1,169	10.1	121	10.4
Total	11,189	100.0	11,548	100.0	(359)	(3.1)

Administrative Expenses

The Group's administrative expenses decreased by approximately 6.6% from approximately HK\$5.4 million for the three months ended 30 June 2022 to approximately HK\$5.1 million for the three months ended 30 June 2023.

Profit for the Period Attributable to Owners of the Company

The profit of the Group amounted to approximately HK\$0.2 million for the three months ended 30 June 2023 as compared to the profit of approximately HK\$0.4 million for the corresponding period in 2022, which was mainly due to the absence of the government subsidies under the "Employment Support Scheme" during the Period.

Management Discussion and Analysis

Financial Review (Continued)

Use of Proceeds (“UOP”) from the Listing

As at 30 June 2023, the net proceeds (“Net Proceeds”) from the initial public offering of the Company (the use of which has been changed on 9 August 2018, 25 March 2019, 20 December 2019 and 16 March 2022, as detailed in the annual report 2022/23 of the Company) have been applied and utilized as follows:

Proposed use of net proceeds as at 31 March 2021	Unused net proceeds as at 31 March 2021	Unused net proceeds up to 16 March 2022	Revised use of net proceeds on 16 March 2022 (Note 1)	Revised	Actual use of net proceeds up to 30 June 2023	Unused net proceeds up to 30 June 2023
				allocation of unused net proceeds upon change on use of net proceeds on 16 March 2022		
	HK\$'000	HK\$'000		HK\$'000	HK\$'000	HK\$'000
Expand into the PRC market through acquisition or establishment of subsidiaries	7,800	7,800	Expand an existing PRC subsidiary for PRC expansion together with local partners Invest in diversified portfolio of investments products proposed by responsible investment committee	3,300 2,800	3,300 1,770 (Note 2) (Note 3)	– 1,030 (Note 5)
Provide funding for the Group's working capital and other general corporate purposes	–	–	Provide funding for the Group's working capital and other general corporate purposes	1,700	1,700 (Note 4)	–
Total	7,800	7,800		7,800	6,770	1,030

Management Discussion and Analysis

Financial Review (Continued)

Use of Proceeds (“UOP”) from the Listing (Continued)

Notes:

1. The Board has resolved to change the allocation of the use of net proceeds on 16 March 2022. For details, please refer to the announcement of the Company dated 16 March 2022.
2. The net proceeds had been injected into a subsidiary of the Company incorporated in the PRC for its establishment, operation and business development.
3. The net proceeds was used for the subscription of the convertible notes issued by Intensel Limited and settlement of HK\$0.2 million consideration for partial equity interest in SMAC Computing Company Limited.
4. The net proceeds had been used as payment of staff costs and other operation overheads of the Group.
5. The remaining net proceeds of approximately HK\$1.03 million would be used for settlement of consideration of HK\$0.99 million for approximately 5% equity interest in SMAC Computing Company Limited and related expenses. It is expected to be utilized on or before 31 December 2023.

Foreign Exchange Exposure

The Group mainly operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars. Nevertheless, the Directors will closely monitor the Group’s foreign currency position and consider natural hedge technique to manage its foreign currency exposures by non-financial methods, managing the transaction currency, leading and lagging payments, receivables management, etc. The Group did not engage in any derivatives agreement and did not have any financial instruments to hedge against its foreign exchange exposure during the three months ended 30 June 2023.

Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the three months ended 30 June 2023. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities and other commitments can meet its funding requirements from time to time.

Management Discussion and Analysis

Significant Investments and Future Plans for Material Investments and Capital Assets

Save as disclosed in this report, as at 30 June 2023, the Group did not hold any significant investments in equity interest in any other companies nor have any definite future plans for material investments and capital assets.

Material Acquisitions and Disposals of Subsidiaries, Associates or Joint Ventures

During the three months ended 30 June 2023, there was no material acquisitions nor disposals of subsidiaries, associates or joint venture.

Corporate Guarantee and Pledge of Assets

As at 30 June 2023, the Group's bank borrowings were guaranteed or secured by its assets below:

- (i) corporate guarantees provided by the Company and one of the wholly-owned subsidiaries; and
- (ii) personal guarantees provided by two Executive Directors (31 March 2023: personal guarantees provided by two Executive Directors).

Management Discussion and Analysis

Contingent Liabilities

The Group had no significant contingent liabilities as at 30 June 2023 (31 March 2023: Nil).

Other Commitments

On 16 February 2021, the Group entered into a shareholders' agreement with Share News Media Limited in respect of China Enterprise Green Financial PR Limited (formerly known as New Economy Communications Limited). Pursuant to the agreement, the parties have agreed to inject initial capital amounted to HK\$1,000,000. As at 30 June 2023, the outstanding capital commitment by the Group amounted to approximately HK\$500,000 (31 March 2023: approximately HK\$500,000).

On 18 February 2021, the Group entered into a shareholders' agreement with Luk Advisor Limited and Mr. Cho Shiu Ming in respect of Marine Sustainature Limited. Pursuant to the agreement, the parties have agreed to inject initial capital amounted to HK\$1,000,000. As at 30 June 2023, the outstanding capital commitment by the Group amounted to approximately HK\$505,000 (31 March 2023: approximately HK\$505,000).

On 22 February 2021, the Group entered into a shareholders' agreement with Bamboo International (Group) Co., Ltd. in respect of Bamboo Technology Limited. Pursuant to the agreement, the parties have agreed to inject initial capital amounted to HK\$1,500,000. As at 30 June 2023, the outstanding capital commitment by the Group amounted to HK\$445,000 (31 March 2023: approximately HK\$447,000).

The Company expects all capitals to be injected by the Group to the above companies will be funded by the internal resources of the Group.

Management Discussion and Analysis

Other Commitments (Continued)

On 3 January 2023, the Group entered into an investment agreement with SMAC Computing Company Limited. Pursuant to the agreement, the Group has committed to acquire approximately 5% equity interest in SMAC Computing Company Limited at a total consideration of HK\$1,190,000. The Group has paid HK\$200,000 as deposit of the share subscription during the Period. As at 30 June 2023, the outstanding capital commitment of the Group amounted to approximately HK\$990,000 (31 March 2023: HK\$1,190,000).

Financial Risk Management

Risk management is carried out by the Company's risk management committee pursuant to the policies approved by the Board. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides guidance for overall risk management and specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Principal Risks and Uncertainties

The Group's financial condition, operation and business prospect may be affected by various principal risks and uncertainties directly or indirectly. These risks and uncertainties are set out in the section headed "Principal Risks and Uncertainties" under the section headed "Management Discussion and Analysis" of the annual report 2022/23 of the Company.

Corporate Governance and Other Information

Share Option Scheme

The Company has adopted a share option scheme (the “Share Option Scheme”) by the resolutions in writing of the Shareholders on 23 September 2016. No options had lapsed or had been granted, exercised or cancelled under the Share Option Scheme during the three months ended 30 June 2023. As at 30 June 2023, there was no outstanding option under the Share Option Scheme.

Share Award Scheme

On 8 February 2017 (the “Adoption Date”), the Company approved the adoption of the Share Award Scheme to complement its human resources policy for enhancing staff welfares to retain the loyalty of the talents and in order that their productivity and potentials can be elevated.

In April 2018, the Administration Committee has resolved to grant 12,100,000 restricted shares (the “Grant Shares”) to a selected participant. The vesting of the Grant Shares is subject to the selected participant remaining at all times after the grant date and on the vesting date a participant of the Company or any of its subsidiaries.

On 24 December 2020, the Board resolved to top up the maximum number of shares under the Share Award Scheme to 37,200,000 shares (with par value of HK\$0.01 each) in order to enable the Company to provide more incentives to the staff and retain those capable staff to continue to serve the Company. The Company and BOCI-Prudential Trustee Limited (“BOCI Trustee”), the trustee under the Share Award Scheme, entered into a supplemental deed to the trust deed in this regard and the Company received the executed supplemental deed from BOCI Trustee on 5 January 2021.

On 22 March 2022, the Board resolved to further top up the maximum number of shares under the Share Award Scheme from 37,200,000 shares (with par value of HK\$0.01 each) to 60,000,000 shares (with par value of HK\$0.02 each) in order to enable the Company to provide more incentives to the staff and retain those capable staff to continue to serve the Company. The Company and BOCI Trustee entered into a second supplemental deed to the trust deed in this regard and the Company received the executed supplemental deed from BOCI Trustee on 12 April 2022. For details, please refer to the announcement of the Company dated 12 April 2022.

On 19 April 2022 and 22 April 2022, 6,000,000 and 2,000,000 issued shares had been purchased by BOCI Trustee respectively, acting as the trustee, on the Stock Exchange to hold on trust for any participant selected by the Remuneration Committee and the Board pursuant to the terms and conditions of the Share Award Scheme. For details, please refer to the announcements of the Company dated 19 April 2022 and 22 April 2022.

As at 30 June 2023, 15,313,333 issued shares were held by the trustee.

Corporate Governance and Other Information

The COVID-19 Pandemic's Impact

COVID-19 still exists in the public. The Group and its overseas subsidiaries have fully resumed work and normal operations in 2023. The Directors anticipate the impact of COVID-19 on the Group's operation and financial performance is likely to be immaterial as of the date of this report.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As at 30 June 2023, the interests and short positions of Directors and Chief Executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (《證券及期貨條例》) (Chapter 571 of the Laws of Hong Kong) (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have under such provisions of the SFO) and required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, are as follows:

Interests in the Company

Name of Directors	Capacity	Number of Shares	Approximate percentage of shareholding
Ms. Kwok May Han Grace ("Ms. Kwok") (Note)	Beneficial owner, interest of a controlled corporation and interest of spouse	371,430,800 (long position)	52.95%
Mr. Wu Dennis Pak Kit ("Mr. Wu") (Note)	Beneficial owner and interest of spouse	371,430,800 (long position)	52.95%

Note: Among these 371,430,800 Shares, (i) 360,850,800 Shares are held by Gold Investments Limited ("Gold Investments"), a company incorporated in the British Virgin Islands (the "BVI"), the issued share capital of which is owned as to 70% by Ms. Kwok, an Executive Director and the Chairman of the Board and 30% by Mr. Wu, an Executive Director and the husband of Ms. Kwok, (ii) 5,425,000 Shares are held by Ms. Kwok as beneficial owner and (iii) 5,155,000 Shares are held by Mr. Wu as beneficial owner. Accordingly, Ms. Kwok is deemed to be interested in those Shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in those Shares held by Ms. Kwok under the SFO.

Corporate Governance and Other Information

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations (Continued)

Interests in the associated corporation

Name of associated corporation	Name of Directors	Capacity	Number of Shares	Percentage of shareholding
Gold Investments	Ms. Kwok (Note)	Beneficial owner	70 shares of HK\$1.00 each (long position)	70%
		Interest of spouse	30 shares of HK\$1.00 each (long position)	30%
	Mr. Wu (Note)	Beneficial owner	30 shares of HK\$1.00 each (long position)	30%
		Interest of spouse	70 shares of HK\$1.00 each (long position)	70%

Note: Gold Investments is a company incorporated in the BVI, the issued share capital of which is owned as to 70% by Ms. Kwok and 30% by Mr. Wu. Accordingly, Ms. Kwok is deemed to be interested in the Shares held by Gold Investments and Mr. Wu under the SFO, and Mr. Wu is deemed to be interested in the Shares held by Ms. Kwok under the SFO.

Save as disclosed above, as at 30 June 2023, none of the Directors and Chief Executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the standard of dealings by Directors as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules.

Corporate Governance and Other Information

Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As far as the Directors are aware, as at 30 June 2023, the following persons (other than a Director or Chief Executive of the Company) have or are deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of shareholding
Gold Investments (Note 1)	Beneficial owner	360,850,800 (long position)	51.44%
Ms. Choy Wei Ling	Beneficial owner	54,965,800 (long position)	7.84%
City Beat Limited ("City Beat") (Note 2)	Beneficial owner	42,776,200 (long position)	6.10%

Notes:

1. Gold Investments is a company incorporated in the BVI, the issued share capital of which is owned as to 70% by Ms. Kwok and 30% by Mr. Wu, each a Director.
2. City Beat is a company incorporated in the BVI and is wholly-owned by Ocean Equity Partners Fund II L.P. which is an exempted limited partnership registered in the Cayman Islands. The general partner of Ocean Equity Partners Fund II L.P. is Ocean Equity Partners Fund II GP Limited. Accordingly, each of Ocean Equity Partners Fund II L.P. and Ocean Equity Partners Fund II GP Limited is deemed to be interested in the Shares held by City Beat.

Save as disclosed above, as at 30 June 2023, the Company has not been notified by any persons (other than Directors or Chief Executive of the Company) who have interests or short positions in the Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

Corporate Governance and Other Information

Rights to Acquire Shares or Debentures

Other than the Share Option Scheme, the Share Award Scheme and as disclosed under the section headed “Directors’ and Chief Executive’s interests and short positions in shares, underlying shares and debentures of the Company and its associated corporations” above, at no time during the three months ended 30 June 2023 and up to the date of this report, has the Company or any of its subsidiaries, or any of its fellow subsidiaries, been a party to any arrangement to enable the Directors or Chief Executive of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) or to acquire benefits by means of acquisitions of shares in, or debentures of, the Company or any other body corporate.

Non-competition Undertaking by Controlling Shareholders

Each of the controlling shareholders (as defined under the GEM Listing Rules) of the Company, i.e. Gold Investments Limited, Ms. Kwok May Han, Grace and Mr. Wu Dennis Pak Kit (the “Controlling Shareholders”), entered into a deed of non-competition dated 23 September 2016 (the “Deed of Non-competition”) in favour of the Company, pursuant to which, *inter alia* at any time the Controlling Shareholders are interested, directly or indirectly, in 30% or more of the Shares, they will not, and will procure their associates (other than members of the Group) (1) not to directly or indirectly, either on their own account, in conjunction with, on behalf of or through any person, body corporate, partnership, joint venture or other contractual arrangement and whether for profit or otherwise, participate, acquire or hold any right or interest, provide any support to, financial or otherwise, or otherwise be interested, involved or engaged in or concerned with any business that directly or indirectly competes with the Restricted Business (as defined below), or acquire or hold shares or interest (in each case whether as a shareholder, partner, agent or otherwise and whether for profit, reward or otherwise) in any companies or business that compete directly or indirectly with the Restricted Business (as defined below); and (2) not to engage, invest, participate or be interested (economically or otherwise) in any business involving the provisions of consultancy services in respect of (i) green building certification consultancy; (ii) sustainability consultancy and environmental consultancy; (iii) acoustics, noise and vibration control and audio-visual design consultancy; and (iv) ESG reporting and consultancy (the “Restricted Business”) except where the Controlling Shareholders hold less than 5% of the total issued share capital of any company (whose shares are listed on the Stock Exchange or any other stock exchange) which is engaged in any business that is or may be in competition with any business engaged by any member of the Group. For further details, please refer to the prospectus of the Company dated 30 September 2016.

During the three months ended 30 June 2023, none of the Controlling Shareholders or their respective associates had any business or interest in a business which competes or may compete with the business of the Group and any other conflict of interest with the Group.

Corporate Governance and Other Information

Non-competition Undertaking by Controlling Shareholders (Continued)

The Controlling Shareholders have confirmed to the Company that during the three months ended 30 June 2023, they and their respective associates have complied with the undertakings contained in the Deed of Non-competition.

Directors' Interest in Competing Business

During the three months ended 30 June 2023, none of the Directors had any interest in a business which competed or was likely to compete, directly or indirectly, with the Group's business.

Corporate Governance Code

The Company is committed to maintaining good corporate governance standard and procedures. The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 to the GEM Listing Rules.

During the three months ended 30 June 2023, the Company has complied with all the code provisions of the CG Code.

Compliance with Code of Conduct for Directors' Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors (the "Securities Code") on terms no less exacting than the Required Standard of Dealings. Following the specific enquiries made by the Company on the Directors, all Directors confirmed that they had complied with the Required Standard of Dealings and the Securities Code during the three months ended 30 June 2023.

Purchase, Sale or Redemption of the Company's Listed Securities

None of the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2023 and thereafter up to the date of this report.

Corporate Governance and Other Information

Audit Committee

The Company established the Audit Committee on 23 September 2016 with written terms of reference in compliance with the GEM Listing Rules. As at the date of this report, the Audit Committee consists of three Independent Non-Executive Directors (“INEDs”), namely Mr. Li Wing Sum Steven (who is the Chairman of the committee), Professor Lam Kin Che and Ms. Wong Yee Lin Elaine. The primary duties of the Audit Committee are to, *inter alia*, assist the Board by providing an independent view of the effectiveness of the financial reporting process, making recommendation to the Board on the appointment and removal of external auditors and reviewing the financial information and disclosures, overseeing the audit process, developing and reviewing the Company’s financial and accounting policies and performing other duties and responsibilities as assigned by the Board.

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and has discussed with the management regarding the auditing, internal control and financial reporting matters. The Audit Committee has also discussed and reviewed the unaudited Financial Information and this report.

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

Hong Kong, 9 August 2023

This report is written in both English and Chinese. If there is any inconsistency between the English version and the Chinese version of this report, the English version will prevail.

As at the date of this report, the Executive Directors are Ms. Kwok May Han Grace (Chairman) and Mr. Wu Dennis Pak Kit (Chief Executive Officer); 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.