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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)

PROFIT WARNING

This announcement is made by Allied Sustainability and Environmental Consultants Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review and assessment of the information currently available to the Board, including the Group’s unaudited management accounts for the six months ended 30 September 2018, the Group is expected to record a loss of approximately HK\$1.6 million for the six months ended 30 September 2018, as compared to the net profit of approximately HK\$1.4 million for the corresponding period in 2017. Such loss was mainly attributable to, inter alia, (i) a drop in the overall revenue for green building certification consultancy in Hong Kong for the six months ended 30 September 2018 due to a slowdown of progress of the projects, keen competition and a general decrease in the bidding price in the green building certification consultancy service and (ii) an increase in subcontracting cost of approximately HK\$1.3 million, mainly for ecology consultancy and laboratory testing services because the Group did not have in-house professional staff in these aspects.

Nevertheless, the Group is expected to record an increase in net profit for the three months ended 30 September 2018, as compared to the net profit of approximately HK\$0.2 million for the corresponding period in 2017. The performance of the Group has shown a quarter-on-quarter improvement.

The Group is still in the process of finalizing its consolidated interim results for the six months ended 30 September 2018. As such, this announcement is made solely on the basis of preliminary review and assessment by the Board with reference to the information currently available to the Board, including the unaudited management accounts of the Group for the six months ended 30 September 2018, which may be subject to adjustments after further internal review by the Board and review by the external auditors or the audit committee of the Company. The interim results of the Group for the six months ended 30 September 2018 may be different from the information contained in this announcement.

Details of the Group's financial performance will be disclosed in the interim results announcement of the Group for the six months ended 30 September 2018, which is expected to be published on 13 November 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 6 November 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 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.