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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(2)(a) of the Rules Governing the Listing of Securities on the 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 of the Company (the “**Directors**” and the “**Board**”, respectively) 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 year ended 31 March 2018, the Group is expected to record an increase in net loss of the Group for the year ended 31 March 2018 when compared to the year ended 31 March 2017 if the non-recurring listing expenses incurred in the year ended 31 March 2017 was excluded. Such loss was mainly attributable to (i) the progress of the contract services work of the Group’s on-going projects attained in the fourth quarter of 2017 was slower than expected; (ii) the drop in the overall gross profit for green building certification consultancy and acoustics, noise and vibration control and audio-visual design consultancy projects in Hong Kong for the year ended 31 March 2018 due to keen competition and the general decrease in the bidding price in the industry; (iii) incurrence of additional administrative expenses so as to cope with future development of the Group; and (iv) increase in direct labour costs for team expansion in order to strengthen the Group’s ability to secure bids and extend its scope of services. The financial performance of the Group for the year ended 31 March 2018 was materially and adversely affected by the aforesaid factors, and may or may not be comparable to the financial performance of the Group in the past.

The Group is still in the process of finalizing its consolidated annual results for the year ended 31 March 2018. As such, this announcement is made solely on the basis of a 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 year ended 31 March 2018, which may be subject to adjustments after a further internal review by the Board and review by the external auditors and the audit committee of the Company. The audited annual results of the Group for the year ended 31 March 2018 may be different from the information contained in this announcement.

Details of the Group's financial performance will be disclosed in the annual results announcement of the Group for the year ended 31 March 2018, which is expected to be published on or around 25 June 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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

Hong Kong, 7 June 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, Mr. Lie Kong Sang and Ms. Wong Yee Lin Elaine.

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 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.