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# 泛亞環保集團有限公司 Pan Asia Environmental Protection Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 556)**

## PROFIT WARNING

This announcement is made by Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that the Group might record a higher unaudited consolidated net loss for the six months ended 30 June 2013 as compared to the unaudited consolidated net loss for the corresponding period for the six months ended 30 June 2012.

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

This announcement is made by Pan Asia Environmental Protection Group Limited (the “Company”, and together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”).

After a preliminary review of the consolidated management accounts of the Group, the board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Group might record a higher unaudited consolidated net loss for the six months ended 30 June 2013 as compared to the unaudited consolidated net loss for the corresponding period for the six months ended 30 June 2012.

The Board considers that the consolidated net loss for the six months ended 30 June 2013 was mainly due to the reasons as follows:

- (i) there was a decrease in the gross profit margin of the Group for the six months ended 30 June 2013 due to keen competition in the industry and increase in cost; and
- (ii) although the new wood wool cement board business continues to generate revenue for the Group for the six months ended 30 June 2013, the amount of such revenue was still small as compared to the increasing expenses incurred on development of such business for such period; however, the Board believes that continuing development of such new business would eventually be rewarding and beneficial to the Group as the revenue is expected to be growing in future.

This profit warning announcement is only based on the preliminary review by the Company's management on the unaudited consolidated management accounts of the Group.

The Company is still in the process of finalising the interim results of the Group for the six-month period ended 30 June 2013. The overall financial results of the Group for the six-month period ended 30 June 2013 will only be ascertained when all the relevant results and treatments are finalized. The interim results announcement of the Group for the six-month period ended 30 June 2013 is expected to be announced before the end of August 2013.

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

By Order of the Board  
**Pan Asia Environmental Protection Group Limited**  
**Wan San Fai, Vincent**  
*Company Secretary*

Hong Kong, 13 August 2013

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Mr. JIANG Quanlong  
Mr. JIANG Lei  
Mr. FAN Yajun  
Mr. GAN Yi

*Independent Non-Executive Directors:*

Mr. LAI Wing Lee  
Mr. LEUNG Shu Sun, Sunny  
Professor WANG Guozhen