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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 Pan Asia Environmental Protection Group Limited (the “Company”) 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”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the Company together with its subsidiaries (the “Group”) might record a substantial decrease in unaudited consolidated net profit for the six months ended 30 June 2016 as compared to the unaudited consolidated net profit for the corresponding period for the six months ended 30 June 2015.

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

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

After a preliminary review of the consolidated management accounts of the Group, the Board wishes to inform the Shareholders and potential investors that the Group might record a substantial decrease in unaudited consolidated net profit for the six months ended 30 June 2016 as compared to the unaudited consolidated net profit for the corresponding period for the six months ended 30 June 2015.

The Board considers that the decrease in the consolidated net profit for the six months ended 30 June 2016 was mainly due to:

- (i) there were decreases in the revenues generated from the sales of environmental protection products and equipment and the wood wool cement board business; and
- (ii) there was a decrease in the gross profit margin of the Group for the six months ended 30 June 2016 due to increase in costs.

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 2016. The overall financial results of the Group for the six-month period ended 30 June 2016 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 2016 is expected to be announced before the end of August 2016.

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, 15 August 2016

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

Executive Directors:

Mr. JIANG Quanlong

Mr. JIANG Lei

Non-Executive Director:

Mr. FAN Yajun

Independent Non-Executive Directors:

Mr. LAI Wing Lee

Mr. LEUNG Shu Sun, Sunny

Professor WANG Guozhen