



開創 **無污染** 的未來
Creating a Greener
Future



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

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)
股份代號 stock code : 00556.HK

二零一零年中期報告 • INTERIM REPORT 2010

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公司資料

Corporate Information

董事

執行董事

蔣泉龍先生 (主席)
蔣磊先生 (行政總裁)
范亞軍先生
甘毅先生

獨立非執行董事

賴永利先生
梁樹新先生
王國珍教授

公司秘書

溫新輝先生

授權代表

蔣泉龍先生
溫新輝先生

主要往來銀行

中國建設銀行
交通銀行
恒生銀行

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DIRECTORS

Executive Directors

Mr. Jiang Quanlong (*Chairman*)
Mr. Jiang Lei (*Chief Executive Officer*)
Mr. Fan Yajun
Mr. Gan Yi

Independent Non-Executive Directors

Mr. Lai Wing Lee
Mr. Leung Shu Sun, Sunny
Professor Wang Guozhen

COMPANY SECRETARY

Mr. Wan San Fai, Vincent

AUTHORISED REPRESENTATIVES

Mr. Jiang Quanlong
Mr. Wan San Fai, Vincent

PRINCIPAL BANKERS

China Construction Bank
Bank of Communications
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公司資料 Corporate Information

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STOCK CODE

556

主席報告書

Chairman's Statement

致各位股東：

本人謹代表董事會向各位股東提呈泛亞環保集團有限公司（「本公司」或「泛亞環保」）及其附屬公司（統稱「本集團」）截至二零一零年六月三十日止六個月之未經審核的中期業績報告。

財務摘要

截至二零一零年六月三十日止六個月，本集團之總營業額為人民幣2.417億元，較去年同期增長27.1%。全球經濟逐步復甦，本集團旗下產品及設備銷售亦逐漸回升，整體毛利上升至人民幣6,330萬元（截至二零零九年六月三十日止六個月：人民幣5,640萬元），毛利率26.2%。本公司擁有人應佔溢利約為人民幣3,460萬元（截至二零零九年六月三十日止六個月：人民幣3,550萬元），淨利與去年同期比較輕微下跌2.5%，淨利率14.3%。淨利下跌主要因為期內其他收益減少以及本集團持有的澳元存款之匯兌損失所致。每股盈利為人民幣4.33分（截至二零零九年六月三十日止六個月：人民幣4.44分）。

展望

全球經濟環境於二零一零年逐步復甦，中國環保產業在第十二個五年計劃中的投資將迎來更大的增長，中國政府表明將大力發展培育包括節能環保的新興產業，投資額將達到人民幣5萬億元，平均每年增加產值人民幣1.5萬億元。本集團將繼續以穩健的業務策略，竭力抓緊中央政策支持帶來的機遇。現時，本集團手頭上未完成之合約共24份，合約總金額約達人民幣3.911億元。

To Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the unaudited interim report of Pan Asia Environmental Protection Group Limited (the "Company" or "Pan Asia EP") and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2010.

FINANCIAL REVIEW

For the six months ended 30 June 2010, the Group achieved a total turnover of RMB241.7 million, an increase of 27.1% compared with the same period last year. As the global economy has been gradually recovering, the sale of products and equipment of the Group also gradually picked up. Overall gross profit rose to RMB63.3 million (six months ended 30 June 2009: RMB56.4 million) and gross profit margin to 26.2%. Profit attributable to owners of the Company was approximately RMB34.6 million (six months ended 30 June 2009: RMB35.5 million) and net profit was 2.5% lower than that of the previous corresponding period. Net profit margin was 14.3%. The decline of net profit was mainly caused by a decrease of other income and the foreign exchange loss of the Company's Australian Dollar bank deposits. Earnings per share of the Group were RMB4.33 cents (six months ended 30 June 2009: RMB4.44 cents).

PROSPECTS

The global economy is picking up in 2010, and the implementation of the PRC "Twelfth Five-Year Plan" will boost the investment in environmental protection in the nation. The Chinese Government endeavors to develop emerging industries like energy conservation and environmental protection. The investment amount is about RMB5.0 trillion, which will lift the value of output by RMB1.5 trillion per annum. The Group will prudently operate its business and strive to capture opportunities created by supportive government policies. It currently has about 24 EP contracts with a total worth of approximately RMB391.1 million on hand.

主席報告書 Chairman's Statement

污水處理仍會是本集團的穩定收入來源。本集團亦計劃將業務範疇，由過往只從事工程建設，拓展至大型的工業污水處理、建設及營運，而涉及的項目則包括大型的工業園污水系統建設工程等。這將有助擴闊收入來源、增加穩定的現金流和提高回報率，現時正進行可行性研究。

此外，本集團將加大力度在煙氣處理項目及相關產品生產的業務，使其佔整體營業額比重增加。繼煙氣脫硫後，脫硝能減少氮氧化物的排放，是煙氣處理的重點項目。本集團正與內地大型電力集團的附屬公司商討組成戰略聯盟，成立合營公司，發展「選擇性催化還原脫硝系統」(「SCR脫硝系統」)中使用的催化劑。泛亞環保將參與財務管理及部份地區銷售。目前，從事脫硝工程需有核心技術配合，其入行門檻較脫硫為高，市場空間亦更大，相信有關項目將可為本集團帶來可觀貢獻。集團正部署年內落實興建從事有關催化劑業務的生產線，有關投資額約為人民幣3億元，分兩期實施，第一期計劃產能為6,000立方米。此外，本集團還計劃配合催化劑的發展而建立研發中心，研發方向包括更適合中國國情使用的催化劑及原材料開發等。過往內地優質的催化劑原材料一直依賴進口，本集團研究自行在內地生產，這將有助減省催化劑的生產成本。

The wastewater treatment business is expected to remain as the Group's stable income source. The Group is planning to expand the scope of services from construction to build and operation of large scale water treatment, which involve projects like building up water treatment systems for industrial estates. Such move will help broadening income sources, generating stable cash flow and, ultimately, boosting the return on investment for the Group. At present, the Group is conducting feasibility studies.

Moreover, the Group is making a concerted effort to expand its flue gas treatment and related product manufacturing businesses to increase their contribution to total turnover. Apart from flue gas desulphurisation ("FGD"), another focus would be flue gas denitrification to reduce the emission of nitrogen oxides. The Group is currently in discussions to form a strategic alliance with a subsidiary company of a large PRC power group. A joint venture will be set up to produce the catalysts used in a selective catalytic reduction denitrification ("SCR DeNOx") system. Pan Asia EP would participate in financial management as well as sales and distribution of the products in certain regions. Flue gas denitrification is technology intensive which set a higher threshold than FGD. Thus, there is more room for future development and it is believed that the project could eventually provide a substantial profit contribution to the Group. The Group is planning to commence the construction of a production line for the catalysts by the end of this year. The investment in this production line is expected to be around RMB300 million and will be implemented by two phases. The planned capacity of phase one is 6,000 cubic meters. In addition, the Group also plans to establish a research and development centre for the development of the catalysts. Area of research will include producing catalysts adapted to the local situation of the PRC and the exploitation of raw material for producing catalysts. In the past, high grade raw materials of the catalysts used in China are mainly imported from other countries, thus the Group is exploring the possibility of local production to reduce manufacturing costs of the catalysts.

主席報告書

Chairman's Statement

另外，本集團亦致力尋找新的投資機會，於今年五月與荷蘭艾托美心有限公司訂立合作協議，引進技術，並購買三條不同類型的木絲水泥板生產線，而首條生產線將於今年底前開始運行。木絲水泥板是一種節能環保、阻燃、保溫的新型建築牆體材料，在歐洲及美國被廣泛應用於建築上，然而在中國則還沒有被普及化。根據中國政府的政策，所有內地的新建築物，須使用不少於五成的環保及節能建築材料。因此，此建材在中國擁有很大的市場潛力。

為保持業務的穩定發展，本集團將秉承一貫穩健的發展策略，繼續鞏固其於中國環保市場的地位，並致力發揮手上充裕流動資金的优势，除了水及煙氣處理業務外，亦會繼續嚴謹物色收購和投資機會，以提升市場的競爭力及擴大業務的領域，為股東爭取更佳的回報。

股息

董事局建議暫不派發截至二零一零年六月三十日止六個月之中期股息，以預留資金作未來業務之發展。

致謝

本人謹代表董事會及管理層答謝全體員工於期內努力不懈，全心全意為本集團效力，以及向各股東、投資者、客戶、供應商及業務夥伴的鼎力支持致以衷心謝意。

主席
蔣泉龍

香港，二零一零年八月三十日

As the Group evaluates investment opportunities on an ongoing basis, it has entered into a cooperation agreement with Eltomation BV in The Netherlands in May for the introduction of manufacturing technology and three different types of production plants of wood wool cement boards to the PRC market. The first production line is expected to start operation by the end of this year. Wood wool cement boards are an eco-friendly wall construction material which is fire resistant and conserves heat. This material has been widely adopted within buildings in Europe and America, but is not yet popular in the PRC. According to the Chinese Government policy, all new buildings in China are expected to use not less than 50% of materials with environmentally friendly and energy saving capability. Thus, there is high market potential for this construction material in the country.

To maintain steady growth of its businesses in the long run, the Group will adhere to its moderate development strategies while actively exploring opportunities to consolidate its position in the EP market within the PRC and optimally use its abundant cash reserves. In addition to its water and flue gas treatment businesses, it will continue to enhance its competitiveness and expand its scope of business by evaluating merger and acquisition targets and other investment opportunities, with an aim to generate better returns for shareholders.

DIVIDEND

The Board recommended withholding dividend payment for the six months ended 30 June 2010, earmarking the profit to be used as capital for future development.

APPRECIATION

On behalf of the Board and the management, I would like to express my gratitude to all of our staff for their hard work and tireless dedication to the Group during the review period. My thanks also go to our shareholders, investors, clients, suppliers and business partners for their constant support.

JIANG Quanlong
Chairman

Hong Kong, 30 August 2010

管理層討論及分析 Management Discussion and Analysis

業務回顧

本集團為中國綜合環保服務供應商，主要從事水處理和煙氣處理產品及設備之設計及製造、銷售管道、承接環保建設工程項目，以及提供環保相關專業服務。於二零一零年六月三十日，本集團聘用共60名具有不同專業背景及擁有環保工作經驗之工程師，為不同行業之客戶提供及訂製各項環保解決方案。

二零一零年上半年，中國逐步擺脫金融海嘯的影響，本集團旗下工程陸續展開，產品及設備銷售均有所回升。環保範疇既為中國國策的重點，推動環保建設乃關乎於刺激經濟復甦，故此，當局不斷為環保產業提供支持，各地政府推出公用環保項目招標，拉動了環保產業的市場需求，為行業帶來龐大商機。

銷售環保產品及設備

本分部主要從事管道、水處理及煙氣處理產品和設備的銷售，回顧期內錄得營業額約人民幣2.266億元，佔本集團總營業額超過93.8%。

銷售水處理產品及設備

本集團的水處理系統主要用於處理工業廢水及城市污水。期內，本集團共完成16份與水處理有關之銷售合約，帶來營業額約人民幣1.689億元，佔本分部營業額的74.6%。本集團亦正研究參與江蘇省無錫太湖治理及另外數個位於浙江和江蘇的水處理項目。

BUSINESS REVIEW

As an integrated environmental protection (“EP”) services provider in the PRC, the Group mainly designs and manufactures water and flue gas treatment products and equipment, sells pipes, as well as undertakes EP construction engineering projects and provides EP related professional services. As at 30 June 2010, the Group had 60 engineers from different professional backgrounds and with work experience in environmental protection providing customised EP services to customers in different industries.

In the first half of 2010, as China has continued to rebound from the impact of the financial turmoil, specific projects of the Group have been started, and sales of products and equipment have picked up. Environmental protection has been a focal development sector of China’s state policy, and promoting environmentally-friendly construction can stimulate economic recovery. Thus, the Chinese Government has continued to provide support to the environmental protection industry. Local governments have continued to invite tenders for different public EP projects which have stimulated market demand and in turn have brought huge business opportunities for the industry.

SALE OF EP PRODUCTS AND EQUIPMENT

Business activities of this segment include selling pipes, as well as water and flue gas treatment products and equipment. During the period under review, it recorded a turnover of approximately RMB226.6 million, accounting for over 93.8% of the Group’s total turnover.

Sale of Water Treatment Products and Equipment

The water treatment systems of the Group are mainly used to process industrial and urban wastewater. The Group completed 16 water treatment sales contracts during the period, which generated a turnover of RMB168.9 million, accounting for 74.6% of the segmental turnover. The Group is currently considering taking part in the water treatment project at Taihu in Wuxi, Jiangsu Province and some other projects located in Zhejiang and Jiangsu Provinces.

管理層討論及分析 Management Discussion and Analysis

銷售煙氣處理產品及設備

本集團的煙氣處理系統為不同行業的客戶處理生產過程中產生的污染氣體。目前，本集團正就多個項目與客戶研究系統建設的方案詳情，預計此分部將會成為來年本集團發展重點之一。除發電廠外，本集團亦計劃為鋼鐵、水泥及玻璃等行業提供煙氣脫硫服務。這些行業的煙氣處理工程所需的技術較火電廠為複雜，而市場亦存在更大的發展空間。回顧期內，本集團共完成2份煙氣處理設備有關之銷售合約，為本集團帶來營業額約人民幣3,790萬元，佔該分部營業額16.7%。

銷售管道

除為客戶提供全面的環保解決方案外，本集團同時透過位於宜興的管材車間生產直徑最高達2,000毫米的玻璃纖維鋼管，總估計年產能約為172,680米。本集團於回顧期內完成了2份管道產品銷售合約，有關銷售為本集團貢獻營業額約人民幣1,980萬元，佔本分部營業額的8.7%。

環保建設工程承包服務

本集團自二零零四年起開始承接環保建設工程。結合豐富的行業知識，以及專業的研發和技術，為客戶提供一站式的環保解決方案。期內，本分部的營業額約為人民幣1,310萬元，佔總營業額約5.4%。本集團為安徽蚌埠市政府興建的其中一個污水處理項目正等待驗收，並已按進度入賬。此外，本集團在河南的一個合約總值人民幣8,000萬元之脫硫項目，工程於去年五月展開，第一期部份已在去年完工及入賬，入賬金額為人民幣5,300萬元，第二期將於下半年完工及驗收入賬。

Sale of Flue Gas Treatment Products and Equipment

The flue gas treatment systems of the Group are used in various industries to process polluting waste gas generated during production. Currently, the Group is negotiating a number of new projects with customers. This segment is expected to become the key development arms of the Group in upcoming years. Apart from power plants, the Group is planning to provide FGD service catering for the iron and steel, cement, and glass industries. The flue gas treatment of these industries require more complicated technical skills than power plant works and there is greater scope for development in the market. During the period, the Group has completed two contracts involving the sale of flue gas treatment equipment, contributing turnover of approximately RMB37.9 million to the Group, accounting for 16.7% of the segmental turnover.

Sale of Pipes

In addition to providing comprehensive EP solutions, the Group also produces fibre glass-reinforced plastic pipes of diameters up to 2,000 mm at its Yixing workshop with a total annual production capacity estimated at approximately 172,680 metres. The Group completed 2 contracts for sale of pipes, which generated a turnover of approximately RMB19.8 million, accounting for 8.7% of the segmental turnover.

EP CONSTRUCTION ENGINEERING PROJECTS

The Group started to undertake EP construction engineering projects in 2004. Armed with extensive industry expertise and professional research and development capabilities and technologies, it has been providing clients with one-stop EP solutions. During the period, it recorded a turnover of approximately RMB13.1 million, accounting for approximately 5.4% of the Group's total turnover. Construction works of one of the government water treatment projects in Bengbu, Anhui Province was awaiting for testing and commissioning and revenue from this contract was recognised accordingly. Moreover, the Group has started work on a contract worth of RMB80.0 million FGD project in Henan in last May, construction work of phase one had been completed and revenues had been recognised, with an amount of RMB53.0 million. The construction of phase two is expected to be completed in the second half of this year and revenue will be recognised after testing and commissioning.

管理層討論及分析 Management Discussion and Analysis

環保相關專業服務

本集團透過附屬公司上海環境工程設計研究院有限公司（「環境工程研究院」）為客戶提供環保相關的專業服務。環境工程研究院持有甲級工程設計證書，可就所有環境工程執行工程設計。期內，本分部為本集團帶來穩定收入，營業額約為人民幣200萬元，佔總營業額約0.8%。

流動資金及財務資源

於二零一零年六月三十日，本集團之資產總值為人民幣15.562億元，較二零零九年十二月三十一日之人民幣14.064億元增加人民幣1.498億元。於二零一零年六月三十日，本集團之負債總額為人民幣3.919億元，較二零零九年十二月三十一日之人民幣2.466億元，增加人民幣1.453億元。於二零一零年六月三十日，本集團的未償還銀行借貸為人民幣1,650萬元（二零零九年十二月三十一日：人民幣1,650萬元）。本集團採用資本負債比率監控資金，計算方式為本集團總負債除以權益總額。本集團的總負債對股本比率按計息貸款及其他借貸除以權益總額計算，於二零一零年六月三十日的比率為1.4%（二零零九年十二月三十一日：1.4%）。於二零一零年六月三十日，本集團之現金及現金等值物為人民幣7.399億元。

承受匯率波動風險

本集團絕大多數營業交易與負債均以人民幣及港元計值。本集團奉行穩健財務政策，銀行存款為人民幣、澳元及港元。於二零一零年六月三十日，本集團無任何外幣銀行負債、外匯合同、利息或貨幣掉期或其他對沖用途之金融衍生工具。然而，管理層將繼續監察外匯風險，並在適當時採取審慎措施。於二零一零年六月三十日，本集團並無使用任何金融衍生工具以對沖利率及外匯風險。

PROVISION OF EP-RELATED PROFESSIONAL SERVICES

The Group, through its subsidiary Shanghai Environmental Engineering Design & Research Institute Limited ("SEEDRI"), provides EP-related professional services to clients. Holding Grade A engineering design certificates, SEEDRI is qualified to undertake engineering design for all environmental projects. During the period, the segment recorded a turnover of approximately RMB2.0 million, accounting for around 0.8% of the Group's total turnover.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2010, total assets of the Group amounted to RMB1,556.2 million, increased by RMB149.8 million when compared to RMB1,406.4 million as at 31 December 2009. The Group's total liabilities were RMB391.9 million, an increase of RMB145.3 million as compared to RMB246.6 million as at 31 December 2009. As at 30 June 2010, the Group had bank loan of RMB16.5 million (31 December 2009: RMB16.5 million). The Group monitored capital using a gearing ratio, which is total debt divided by total equity of the Group. The total debt to equity ratio of the Group expressed as a percentage of interest bearing loans and other borrowings over the total equity was 1.4% as at 30 June 2010 (31 December 2009: 1.4%). The Group's cash and cash equivalents amounted to RMB739.9 million as at 30 June 2010.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Business transactions and liabilities of the Group are largely denominated in Renminbi and Hong Kong Dollars. The Group adopts a conservative financial policy and the majority of its bank deposits are in Renminbi, Australian Dollars and Hong Kong Dollars. As at 30 June 2010, the Group did not have any foreign currency bank liability, foreign exchange contracts, interest or currency swaps or other financial derivatives for hedging purposes. Nevertheless, the management will continue to monitor foreign exchange exposure of the Group and take prudent measures as and when appropriate. As at 30 June 2010, the Group did not have any derivative for hedging against both the interest and exchange rate risks.

管理層討論及分析 Management Discussion and Analysis

資金承擔及或然負債

於二零一零年六月三十日，本集團資本開支承擔為人民幣8,600萬元（於二零零九年十二月三十一日：人民幣5,130萬元）。

本集團就已完工之煙氣脫硫建築工程及其若干已出售環保產品為其客戶提供產品保養，保養期由工程結束後或產品送遞後計六個月至兩年不等。同時，本集團亦享有其承包商及供應商就所提供之建築工程及設備之保養服務。本公司董事相信保養負債之變現金額（如有）超逾承包商及供應商所提供保養所涉之金額，將不會對本集團整體財務狀況或營運業績造成重大不利影響。

人力資源

於二零一零年六月三十日，本集團僱用約280名員工。僱員之薪酬現維持在一個具競爭力之水平，並參考相關人力市場及經濟情況，按年進行檢討。董事之酬金乃根據一系列包括市場狀況及每位董事之職責之因素而釐定。除法律規定之基本薪酬及法定福利外，本集團亦根據本身之業績及個別員工之表現，酌情發放花紅。本集團亦已採納員工購股權計劃。

購入、出售或贖回本公司之上市股份

於截至二零一零年六月三十日止之六個月期間，本公司或其附屬公司概無購入、出售或贖回本公司任何上市股份。

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at 30 June 2010, the Group had a capital expenditure commitment amounted to RMB86.0 million. (31 December 2009: RMB51.3 million).

The Group provides product maintenance service to customers of FGD construction projects and certain EP products for a period ranging from 6 months to 2 years after a project is completed or a product is delivered. At the same time, the Group enjoys warranties for the work and equipment from its sub-contractors and suppliers. The directors of the Company believe that the amount of crystallised warranty liabilities, if any, in excess of the amount covered by the warranties given by sub-contractors and suppliers, would not have any material adverse effect on the overall financial position or operating results of the Group.

HUMAN RESOURCES

As at 30 June 2010, the Group had approximately 280 employees. Salaries of employees are maintained at competitive levels and reviewed annually, with close reference to the relevant labour market and economic situation. Remuneration of the directors is determined based on a variety of factors such as market conditions and the specific responsibilities shouldered by the individual director. Apart from the basic remuneration and statutory benefits required by law, the Group also provides discretionary bonuses based on its results and the performance of the individual employee. The Group also has an employee share option scheme in operation.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the six months ended 30 June 2010.

管理層討論及分析 Management Discussion and Analysis

企業管治常規

董事會認為，本公司於截至二零一零年六月三十日止之六個月期間一直遵守香港聯合交易所有限公司上市規則（「上市規則」）附錄十四所載之企業管治常規守則之守則條文。

證券交易之標準守則

有關董事買賣本公司證券，本公司已採納本身的一套比上市規則附錄十所載列的《上市發行人董事進行證券交易之標準守則》（「標準守則」）所訂標準更高的守則（「本公司證券買賣守則」）。

經向全體董事作出具體查詢後，董事確認彼等於二零一零年六月三十日止六個月期間一直遵守本公司證券買賣守則及標準守則。

本公司所採納的比有關證券交易的標準守則更高標準的本公司證券買賣守則同樣適用於所有可能會擁有本公司未公開股價敏感資料的僱員。

本公司並不知悉僱員不遵守本公司證券買賣守則。

審核委員會

本公司已成立審核委員會，以審核及監察本集團之財務匯報過程以及內部控制程序。審核委員會乃由本公司三位獨立非執行董事組成。審核委員會已審閱本集團截至二零一零年六月三十日止六個月未經審核之中期財務資料。此外，應董事會要求，本公司外聘核數師亦已根據香港會計師公會頒佈之香港審閱聘任準則第2410號審閱此未經審核之中期財務資料。

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Board, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2010.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding directors' dealings in the Company's securities (the "Company's Securities Dealing Code") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules.

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Company's Securities Dealing Code and the Model Code throughout the period for the six months ended 30 June 2010.

The Company's Securities Dealing Code on no less exacting terms than the Model Code for securities transactions also applies to all employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Company's Securities Dealing Code by the employees was noted by the Company.

AUDIT COMMITTEE

An audit committee comprising three independent non-executive directors has been established by the Company to review the financial reporting process and internal control procedures of the Group. The audit committee has reviewed the unaudited financial statements of the Company and its subsidiaries for the six months ended 30 June 2010. At the request of the Board of Directors, the Company's external auditors have carried out a review of this unaudited interim financial statements in accordance with Hong Kong Standard on Review Engagements 2410 issued by the Hong Kong Institute of Certified Public Accountants.

其他資料 Other Information

董事於重大合約中之權益

除於「關聯人士交易」一節所披露之資料外，本公司、其任何控股公司或其任何附屬公司概無參與訂立本公司董事於其中擁有重大權益，且於期末或期內任何時間仍然有效之重大合約。

董事於股份、相關股份及債券中之權益及淡倉

於二零一零年六月三十日，董事及其聯繫人士於本公司及其相聯法團之股份、相關股份或債券中擁有根據上市公司董事進行證券交易的標準守則須知會本公司及聯交所之權益及淡倉如下：

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the information disclosed in the section headed "Related Party Transactions", no contracts of significance to which the Company, any of its holding companies, or any of their subsidiaries was a party, in which a director of the Company had a material interest, subsisted at the end of the period or at any time during the period.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2010, the interests and short positions of the Directors and their associates in the shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register maintained by the Company pursuant to section 352 of the Securities and Futures Ordinance ("SFO"), or as otherwise pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

其他資料 Other Information

於本公司股份及相關股份之權益

Interests in shares and underlying shares of the Company

董事姓名 Name of Director	權益性質 Nature of interest	持有證券數目 / 註冊資本金額 Number of securities/amount of registered capital held (附註1) (Note 1)	股本衍生工具 (認股權) Equity derivatives (share option) (附註1及5) (Notes 1 and 5)	佔已發行股本 百分比 Percentage of issued share capital
蔣泉龍 Jiang Quanlong	法團權益 Corporate interest	600,000,000 (L) (附註2及4) (Notes 2 and 4)		75.00%
	實益權益 Beneficial interest		400,000 (L)	0.05%
蔣磊 Jiang Lei	法團權益 Corporate interest	600,000,000 (L) (附註3及4) (Notes 3 and 4)		75.00%
	實益權益 Beneficial interest		400,000 (L)	0.05%
范亞軍 Fan Yajun	實益權益 Beneficial interest		2,500,000 (L)	0.3125%
甘毅 Gan Yi	實益權益 Beneficial interest		1,000,000 (L)	0.125%
賴永利 Lai Wing Lee	實益權益 Beneficial interest		500,000 (L)	0.0625%
梁樹新 Leung Shu Sun, Sunny	實益權益 Beneficial interest		500,000 (L)	0.0625%
王國珍 Wang Guozhen	實益權益 Beneficial interest		500,000 (L)	0.0625%

其他資料 Other Information

附註：

1. 「L」代表董事於股份之好倉。
2. 該等600,000,000股股份以Praise Fortune Limited之名義登記。蔣泉龍先生乃Praise Fortune Limited之唯一董事，彼根據證券及期貨條例被視為擁有Praise Fortune Limited所擁有全部股份之權益。
3. 該等600,000,000股股份以Praise Fortune Limited之名義登記並由其實益擁有，其全部已發行股本分別由蔣磊先生、蔣鑫先生及錢元英女士擁有約49.9%、49.9%及0.2%。根據證券及期貨條例，蔣磊先生被視為擁有Praise Fortune Limited所持有之股份權益。
4. Praise Fortune Limited於二零一零年六月三十日之已發行股份總數為601股每股面值1美元之股份。該等601股股份乃由蔣磊先生（執行董事）擁有300股股份、由蔣鑫先生擁有300股股份及由錢元英女士擁有1股股份。Praise Fortune Limited之唯一董事為執行董事蔣泉龍先生，而錢元英女士為蔣泉龍先生之配偶。
5. 該等權益指本公司向有關董事（作為實益持有人）授出認股權所涉及的相關股份權益，有關詳情載於下文認股權計劃。

Notes:

1. The letter "L" denotes the Director's long position in the shares.
2. These 600,000,000 shares are registered in the name of Praise Fortune Limited. Mr. Jiang Quanlong is the sole director of Praise Fortune Limited and he is deemed to be interested in all the shares in which Praise Fortune Limited is interested by virtue of the SFO.
3. These 600,000,000 shares are registered in the name of and beneficially owned by Praise Fortune Limited, the entire issued share capital of which is beneficially owned as to approximately 49.9%, 49.9% and 0.2% by Mr. Jiang Lei, Mr. Jiang Xin and Ms. Qian Yuanying respectively. Under the SFO, Mr. Jiang Lei is deemed to be interested in the Shares held by Praise Fortune Limited.
4. The total number of issued shares in Praise Fortune Limited as at 30 June 2010 is 601 shares of US\$1 each. These 601 shares are owned as to 300 shares by Mr. Jiang Lei (an executive Director), as to 300 shares by Mr. Jiang Xin and as to 1 share by Ms. Qian Yuanying. The sole director of Praise Fortune Limited is Mr. Jiang Quanlong, an executive Director and Ms. Qian Yuanying is the spouse of Mr. Jiang Quanlong.
5. These interests represent the interests in underlying shares in respect of share options granted by the Company to these directors as beneficial owners, the details of which are set out in the Share Option Scheme section stated below.

其他資料 Other Information

購股權計劃

本公司根據本公司唯一股東於二零零七年十二月一日通過之決議案採納一項購股權計劃（「購股權計劃」）。購股權計劃符合上市規則之規定。本公司於二零零八年五月十四日根據購股權計劃向其董事及主要僱員授出17,800,000份購股權，行使價為2.81港元。於購股權授出日期之前的收市價為2.79港元。購股權可於授出日期後滿一年開始行使，於授出日期第十周年時屆滿。購股權獲悉數行使時，總數佔本公司已發行股本2.2%。該等購股權包括授予4名執行董事、3名獨立非執行董事及11名本公司僱員之購股權，涉及股份數目如下：

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to a resolution of the sole shareholder of the Company passed on 1 December 2007. The Share Option Scheme complies with the requirements of the Listing Rules. On 14 May 2008, the Company granted 17,800,000 options under the Share Option Scheme to its directors and key employees at an exercise price of HK\$2.81. The closing market price per Share as at the date on which the share options were granted was HK\$2.79. The options can be exercised one year after the grant date and expiring on the tenth anniversary of the grant date. The total number of share options represents 2.2% of the Company's outstanding share capital when fully exercised. They include the options granted to 4 executive directors, 3 independent non-executive directors and 11 employees of the Company for the number of shares set out below:

	授出日期 Date of Grant	行使價 港元 Exercise Price HK\$	歸屬期 Vesting Period	可行使期間 Exercisable Period	於 1/1/2010 As at 1/1/2010	購股權數目 Number of Share Options		
						於期內 已授出 Granted during the period	於期內 已行使/ 已註銷/ 已失效 Exercised/ Cancelled/ Lapsed during the period	於 30/06/2010 As at 30/06/2010
蔣泉龍 Jiang Quanlong	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	400,000	-	-	400,000
蔣磊 Jiang Lei	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	400,000	-	-	400,000
范亞軍 Fan Yajun	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	2,500,000	-	-	2,500,000
甘毅 Gan Yi	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	1,000,000	-	-	1,000,000
賴永利 Lai Wing Lee	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	-	-	500,000

其他資料 Other Information

	授出日期 Date of Grant	行使價 港元 Exercise Price HK\$	歸屬期 Vesting Period	可行使期間 Exercisable Period	購股權數目 Number of Share Options			
					於 1/1/2010 As at 1/1/2010	於期內 已授出 Granted during the period	於期內 已行使/ 已註銷/ 已失效 Exercised/ Cancelled/ Lapsed during the period	於 30/06/2010 As at 30/06/2010
梁樹新 Leung Shu Sun, Sunny	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	-	-	500,000
王國珍 Wang Guozhen	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	500,000	-	-	500,000
長期合約僱員 Continuous contract employees	14/5/2008	2.81	14/5/2008 to 13/5/2009	14/5/2009 to 13/5/2018	12,000,000	-	-	12,000,000
					17,800,000	-	-	17,800,000

於二零一零年六月三十日，本公司根據購股權計劃授出涉及17,800,000股股份之有效及尚未行使購股權。

本公司已使用二項式購股權定價模式（「模式」），以評估根據股份購股權計劃授出的購股權的價值。該模式是評估購股權公平值的其中一種常用模式。購股權的價值隨著若干主觀假設的不同變數而變化。作出評估時所使用的變數有任何變動，均可能對購股權公平值的估計有重大影響。由於作出假設及所使用的估價模式有所限制，故所計算的公平值難免有主觀成份及不能肯定。

本公司於二零零八年五月十四日向本公司董事、高級管理人員及其他僱員授出購股權。於上述授出日期根據模式計算的購股權的公平值為15,681,000港元。

As at 30 June 2010, there are options relating to 17,800,000 shares granted by the Company pursuant to the Share Option Scheme which are valid and outstanding.

The Company has used the binomial option pricing model (the "Model") to value the share options granted pursuant to the Share Option Scheme, which is a common model used in assessing the fair value of an option. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option. As such, the fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitations of the valuation model used.

The share options were granted to the Directors, senior management and other employees of the Company pursuant to the Share Option Scheme on 14 May 2008. The fair value of the share options as at the date of grant under the Model was HK\$15,681,000.

其他資料 Other Information

主要股東於本公司股份及相關股份之權益及淡倉

於二零一零年六月三十日，據本公司董事及最高行政人員所知，下列人士（本公司董事或最高行政人員除外）於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露或須記錄於本公司根據證券及期貨條例第336條存置之登記冊內之權益或淡倉：

於本公司股份及相關股份之好倉

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to the directors and chief executive of the Company, as at 30 June 2010, the following persons (other than the Directors or chief executive officer of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company 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:

Long position in the shares and underlying shares of the Company

名稱 Name	權益性質 Nature of interest	所持股份數目 Number of shares held (附註1) (Note 1)	股本衍生工具 (認股權) Equity derivatives (share option) (附註1) (Note 1)	佔已發行 股份總數之 概約百分比 Approximate percentage of total number of issued shares
Praise Fortune Limited (附註2) Praise Fortune Limited (Note 2)	實益權益 Beneficial interest	600,000,000 (L)		75.00%
蔣鑫先生 (附註3) Mr. Jiang Xin (Note 3)	受控制公司權益 Interest of a controlled corporation	600,000,000 (L)		75.00%
錢元英女士 (附註4) Ms. Qian Yuanying (Note 4)	配偶權益 Interest of spouse	600,000,000 (L)		75.00%
	配偶權益 Interest of spouse		400,000 (L)	0.05%
李靜如女士 (附註5) Ms. Li Jingru (Note 5)	配偶權益 Interest of spouse	600,000,000 (L)		75.00%
柴永萍女士 (附註6) Ms. Chai Yongping (Note 6)	配偶權益 Interest of spouse	600,000,000 (L)		75.00%
	配偶權益 Interest of spouse		400,000 (L)	0.05%

其他資料 Other Information

附註：

1. 字母「L」指有關人士於股份之好倉。
2. Praise Fortune Limited於二零一零年六月三十日之已發行股份總數為601股每股面值1美元之股份。該601股股份乃由蔣磊先生（執行董事）擁有300股股份，由蔣鑫先生擁有300股股份及由錢元英女士擁有1股股份。Praise Fortune Limited之唯一董事為執行董事蔣泉龍先生。
3. 該等股份以Praise Fortune Limited之名義登記並由其實益擁有，其所有已發行股本由蔣磊先生、蔣鑫先生及錢元英女士分別擁有約49.9%、49.9%及0.2%。根據證券及期貨條例，蔣磊先生被視為於Praise Fortune Limited所持有之股份中擁有權益。
4. 錢元英女士乃蔣泉龍先生之配偶，因此被視為於蔣泉龍先生被視為擁有之全部股份中擁有權益。
5. 李靜如女士乃蔣鑫先生之配偶，因此被視為於蔣鑫先生被視為擁有之全部股份中擁有權益。
6. 柴永萍女士乃蔣磊先生之配偶，因此被視為於蔣磊先生被視為擁有之全部股份中擁有權益。

董事資料變動

自二零零九年年報日期起，董事資料的變動載列如下：

- (1) 自二零一零年五月一日起，本公司執行董事蔣磊先生獲指派為本集團行政總裁；及
- (2) 自二零一零年五月一日起，本公司執行董事范亞軍先生不再擔任本集團行政總裁，惟繼續擔任本公司執行董事。

Notes:

1. The Letter "L" denotes the person's long position in the Shares.
2. The total number of issued shares in Praise Fortune Limited as at 30 June 2010 is 601 shares of US\$1 each. These 601 shares are owned as to 300 shares by Mr. Jiang Lei (an executive Director), as to 300 shares by Mr. Jiang Xin and as to 1 share by Ms. Qian Yuanying. The sole director of Praise Fortune Limited is Mr. Jiang Quanlong, an executive Director.
3. These Shares are registered in the name of and beneficially owned by Praise Fortune Limited, the entire issued share capital of which is beneficially owned as to approximately 49.9%, 49.9% and 0.2% by Mr. Jiang Lei, Mr. Jiang Xin and Ms. Qian Yuanying respectively. Under the SFO, Mr. Jiang Lei is deemed to be interested in the Shares held by Praise Fortune Limited.
4. Ms. Qian Yuanying is the spouse of Mr. Jiang Quanlong and is therefore deemed to be interested in all the Shares in which Mr. Jiang Quanlong is deemed to be interested.
5. Ms. Li Jingru is the spouse of Mr. Jiang Xin and is therefore deemed to be interested in all the Shares in which Mr. Jiang Xin is deemed to be interested.
6. Ms. Chai Yongping is the spouse of Mr. Jiang Lei and is therefore deemed to be interested in all the Shares in which Mr. Jiang Lei is deemed to be interested.

CHANGES IN DIRECTORS' INFORMATION

Changes in directors' information since the date of the 2009 Annual Report are set out below:

- (1) Mr. Jiang Lei, executive director of the Company, was designated as the chief executive officer of the Group with effect from 1 May 2010; and
- (2) Mr. Fan Yajun, executive director of the Company, ceased to act as the chief executive officer of the Group with effect from 1 May 2010, but shall continue to act as executive director of the Company.

中期財務報表審閱報告

Report on Review of Interim Financial Statements



陳葉馮會計師事務所有限公司
香港 銅鑼灣 希慎道33號
利園34樓

中期財務報表審閱報告
致泛亞環保集團有限公司董事會
(於開曼群島註冊成立之有限公司)

緒言

本核數師已審閱載列於第21至44頁之中期財務報表，包括泛亞環保集團有限公司（「貴公司」）及其附屬公司於二零一零年六月三十日之簡明綜合財務狀況表與截至該日止六個月期間之相關簡明綜合全面收益表、簡明綜合權益變動表及簡明綜合現金流量表及解釋附註（統稱「中期財務報表」）。香港聯合交易所有限公司主板證券上市規則規定，中期財務資料之報告須根據其相關條文及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）編製。貴公司董事須負責根據香港會計準則第34號編製及呈報本中期財務報表。

本核數師之責任乃根據本核數師之審閱對本中期財務報表作出結論，並依據本核數師協定之聘任條款，僅向閣下（作為一個實體）呈報本核數師之結論，而不得作其他用途。本核數師並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。



CCIF CPA LIMITED
34/F The Lee Gardens
33 Hysan Avenue
Causeway Bay Hong Kong

REPORT ON REVIEW OF INTERIM FINANCIAL
STATEMENTS TO THE BOARD OF DIRECTORS OF PAN
ASIA ENVIRONMENTAL PROTECTION GROUP LIMITED
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial statements set out on pages 21 to 44, which comprise the condensed consolidated statement of financial position of Pan Asia Environmental Protection Group Limited (the "Company") and its subsidiaries as at 30 June 2010 and the related condensed consolidated statements of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes (collectively the "Interim Financial Statements"). The Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The directors of the Company are responsible for the preparation and presentation of the Interim Financial Statements in accordance with HKAS 34.

Our responsibility is to express a conclusion on the Interim Financial Statements based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

中期財務報表審閱報告

Report on Review of Interim Financial Statements

審閱範圍

本核數師依據香港會計師公會頒佈之香港審閱工作準則第2410號「獨立核數師對中期財務資料之審閱」進行審閱。審閱中期財務報表主要包括向負責財務和會計事務之人員作出查詢，及進行分析性及其他審閱程序。審閱之範圍遠較根據香港審計準則進行審核之範圍為小，故本核數師不能保證本核數師知悉在審核中可能被發現之所有重大事項。因此，本核數師不會發表審核意見。

結論

根據本核數師之審閱工作，本核數師並無察覺任何事項，令本核數師相信於二零一零年六月三十日之本中期財務報表在各重大方面未有根據香港會計準則第34號而編製。

陳葉馮會計師事務所有限公司
執業會計師
香港，二零一零年八月三十日

郭焯源
執業證書編號P02412

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements as at 30 June 2010 is not prepared, in all material respects, in accordance with HKAS 34.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 30 August 2010

Kwok Cheuk Yuen
Practising Certificate Number P02412

簡明綜合全面收益表

Condensed Consolidated Statement of Comprehensive Income

截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

		截至六月三十日止六個月		
		Six months ended 30 June		
		二零一零年	二零零九年	
		2010	2009	
		人民幣千元	人民幣千元	
		RMB'000	RMB'000	
		(未經審核)	(未經審核)	
		(Unaudited)	(Unaudited)	
營業額	Turnover	4	241,691	190,194
銷售成本	Cost of sales		(178,429)	(133,763)
毛利	Gross profit		63,262	56,431
其他收益	Other revenue		1,775	9,594
其他淨(虧損)/收入	Other net (loss)/income		(2,452)	5,226
分銷成本	Distribution costs		(242)	(796)
行政開支	Administrative expenses		(14,089)	(19,018)
其他經營開支	Other operating expenses		(801)	(435)
融資成本	Finance costs	5	-	(1,677)
除稅前溢利	Profit before taxation	5	47,453	49,325
所得稅	Income tax	6	(14,470)	(12,563)
期內溢利	Profit for the period		32,983	36,762
期內其他全面收入 (稅後及經重新調整):	Other comprehensive income for the period (after tax and reclassification adjustment):			
換算為呈報貨幣所產生 之匯兌差額	Exchange differences arising on translation into presentation currency		(595)	(62)
			(595)	(62)
期內全面收入總額	Total comprehensive income for the period		32,388	36,700

第26至44頁的附註為本中期財務報表的一部分。

The notes on pages 26 to 44 form part of this interim financial report.

簡明綜合全面收益表

Condensed Consolidated Statement of Comprehensive Income

截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零一零年	二零零九年
		2010	2009
		人民幣千元	人民幣千元
		RMB'000	RMB'000
		(未經審核)	(未經審核)
		(Unaudited)	(Unaudited)
以下人士應佔溢利：	Profit attributable to:		
本公司擁有人	Owners of the Company	34,640	35,525
少數股東權益	Minority interests	(1,657)	1,237
		32,983	36,762
以下人士應佔	Total comprehensive income		
全面收入總額：	attributable to:		
本公司擁有人	Owners of the Company	34,045	35,463
少數股東權益	Minority interests	(1,657)	1,237
		32,388	36,700
每股盈利	Earnings per share		
基本及攤薄	Basic and diluted	7 人民幣 4.33 分	人民幣4.44分
		RMB4.33 cents	RMB4.44 cents

第26至44頁的附註為本中期財務報表的一部分。

The notes on pages 26 to 44 form part of this interim financial report.

簡明綜合財務狀況表

Condensed Consolidated Statement of Financial Position

於二零一零年六月三十日 • As at 30 June 2010

			二零一零年 六月三十日 30 June 2010 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零零九年 十二月三十一日 31 December 2009 人民幣千元 RMB'000 (經審核) (Audited)
非流動資產	Non-current assets			
預付租賃款項	Prepaid lease payment		6,660	6,745
物業、廠房及設備	Property, plant and equipment	8	45,862	47,951
可供出售金融資產	Available-for-sale financial asset		6,850	6,850
			59,372	61,546
流動資產	Current assets			
預付租賃款項	Prepaid lease payment		169	169
存貨	Inventories		118,925	32,955
應收貿易及其他應收款項	Trade and other receivables	9	609,347	540,992
已抵押銀行存款	Pledged bank deposits		28,480	31,480
現金及銀行結餘	Cash and bank balances		739,920	739,266
			1,496,841	1,344,862
流動負債	Current liabilities			
短期銀行貸款	Short term bank loan		16,478	16,478
應付貿易及其他應付款項	Trade and other payables	10	230,482	140,968
已收按金及預收款	Deposits received and receipt in advance		122,101	69,413
應付稅項	Tax payable		22,841	19,722
			391,902	246,581
流動資產淨值	Net current assets		1,104,939	1,098,281
資產淨值	Net assets		1,164,311	1,159,827
股本及儲備	Capital and reserves			
股本	Share capital	11	74,872	74,872
儲備	Reserves		1,088,730	1,082,589
本公司擁有人應佔 權益總額	Total equity attributable to owners of the Company		1,163,602	1,157,461
少數股東權益	Minority interests		709	2,366
權益總額	Total equity		1,164,311	1,159,827

經董事會於二零一零年八月三十日批准及授權刊發。

Approved and authorised for issue by the board of directors on 30 August 2010.

董事
Director

董事
Director

第26至44頁的附註為本中期財務報表的一部分。

The notes on pages 26 to 44 form part of this interim financial report.

簡明綜合權益變動表

Condensed Consolidated Statement of Changes in Equity

截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

		Attributable to owners of the Company										Minority interests	Total						
		股本		股份溢價		特別儲備		資本儲備		企業擴展儲備				法定盈餘儲備		購股權儲備		保留溢利	
		Share capital	Share premium	Special reserve	Capital reserve	Enterprise expansion reserve	Statutory surplus reserve	Translation reserve	Share option reserve	Retained profits	Subtotal	Minority interests	Total	人民幣千元	RMB'000	人民幣千元	RMB'000	人民幣千元	RMB'000
於二零零九年一月一日之餘額 (經審核)		74,872	419,229	94,225	133	34,541	43,814	(6,338)	8,720	395,279	1,064,475	2,678	1,067,153						
截至二零零九年六月三十日																			
止六個月之權益變動：																			
轉撥至儲備		-	-	-	-	1,720	2,049	-	-	(3,769)	-	-	-						
確認以股本結算之股份交易		-	-	-	-	-	-	-	5,121	-	5,121	-	5,121						
期內全面收入總額		-	-	-	-	-	-	(62)	-	35,525	35,463	1,237	36,700						
於二零零九年六月三十日之餘額 (未經審核)		74,872	419,229	94,225	133	36,261	45,863	(6,400)	13,841	427,035	1,105,059	3,915	1,108,974						
於二零一零年一月一日之餘額 (經審核)		74,872	419,229	94,225	133	40,149	49,422	(6,543)	13,841	472,133	1,157,461	2,366	1,159,827						
截至二零一零年六月三十日																			
止六個月權益變動：																			
股息		-	-	-	-	-	-	-	-	(27,904)	(27,904)	-	(27,904)						
轉撥至儲備		-	-	-	-	2,171	2,171	-	-	(4,342)	-	-	-						
期內全面收入總額		-	-	-	-	-	-	(595)	-	34,640	34,045	(1,657)	32,388						
於二零一零年六月三十日之餘額 (未經審核)		74,872	419,229	94,225	133	42,320	51,593	(7,138)	13,841	474,527	1,163,602	709	1,164,311						

第26至44頁的附註為本中期財務報表的一部分。

The notes on pages 26 to 44 form part of this interim financial report.

簡明綜合現金流量表

Condensed Consolidated Statement of Cash Flows

截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000 (未經審核) (Unaudited)	二零零九年 2009 人民幣千元 RMB'000 (未經審核) (Unaudited)
經營業務產生／(所用)之現金	Cash generated from/ (used in) operations	32,050	(59,546)
已付稅項	Tax paid	(11,351)	(6,589)
經營活動產生／(所用)之 現金淨額	Net cash generated from/ (used in) operating activities	20,699	(66,135)
投資活動產生之現金淨額	Net cash generated from investing activities	4,188	96,910
融資活動所用之現金淨額	Net cash used in financing activities	(23,638)	(82,000)
現金及等同現金項目增加／ (減少)淨額	Net increase/(decrease) in cash and cash equivalents	1,249	(51,225)
於一月一日之現金及 等同現金項目	Cash and cash equivalents at 1 January	739,266	849,298
匯率變動之影響	Effect of foreign exchanges rates changes	(595)	(62)
於六月三十日之現金及 等同現金項目	Cash and cash equivalents at 30 June	739,920	798,011

第26至44頁的附註為本中期財務報表的一部分。

The notes on pages 26 to 44 form part of this interim financial report.

簡明綜合中期財務報表附註

Notes to the Condensed Consolidated Interim Financial Statements

截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

1. 一般資料

泛亞環保集團有限公司（「本公司」）於開曼群島註冊成立為一間獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司之註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，香港主要營業地點地址為香港皇后大道中99號中環中心6302室。

本公司及其附屬公司（統稱「本集團」）主要從事環保（「環保」）產品及設備之製造及銷售、承接環保建設工程項目、提供環保相關專業服務及投資控股。

2. 編製基準

未經審核簡明綜合中期財務報表已根據聯交所證券上市規則（「上市規則」）適用披露規定以及遵守香港會計師公會（「香港會計師公會」）頒佈之香港會計準則第34號「中期財務報告」（「香港會計準則第34號」）編製。

本公司之功能貨幣為港元（「港元」），而大部份其附屬公司之功能貨幣為人民幣（「人民幣」）。未經審核簡明綜合中期財務報表以人民幣呈列，除另有訂明外，均四捨五入至最接近之千位數。

1. GENERAL INFORMATION

Pan Asia Environmental Protection Group Limited (the “Company”) was incorporated as an exempted company and registered in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and Suite 6302, The Center, 99 Queen’s Road Central, Hong Kong respectively.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture and sale of environmental protection (“EP”) products and equipment, undertaking of EP construction engineering projects, provision of EP related professional services and investment holding.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), and the Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The Company’s functional currency is Hong Kong dollars (“HK\$”) while the functional currencies of most of its subsidiaries are Renminbi (“RMB”). These unaudited condensed consolidated interim financial statements is presented in RMB, and are rounded to the nearest thousand, unless otherwise indicated.

簡明綜合中期財務報表附註

Notes to the Condensed Consolidated Interim Financial Statements

截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

3. 會計政策

未經審核簡明綜合中期財務報表之編製乃以歷史成本作計量基準，惟若干金融工具以公平值（如適用）計量除外。

未經審核簡明綜合中期財務報表所使用之會計政策與本集團截至二零零九年十二月三十一日止年度之年度財務報表所編製者一致，惟下述者除外。

中期收入之稅率採用適用於預計全年溢利總額之稅率計算。

於本中期期間，本集團已首次採納香港會計師公會頒布之下列新訂及經修訂準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

香港財務報告準則 (修訂本)	香港財務報告準則第5號之修訂本，作為對二零零八年香港財務報告準則之改進之部份
香港財務報告準則 (修訂本)	對二零零九年香港財務報告準則之改進
香港會計準則第27號 (經修訂)	綜合及獨立財務報表
香港會計準則第39號 (修訂本)	合資格對沖項目
香港財務報告準則第1號 (修訂本)	首次採納者之額外豁免
香港財務報告準則第2號 (修訂本)	集團以現金結算股份為基礎之付款交易
香港財務報告準則第3號 (經修訂)	業務合併
香港(國際財務報告詮釋委員會) – 詮釋第17號	向擁有人分派非現金資產

3. ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2009, except as described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

In the current interim period, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 27 (Revised)	Consolidated and separate financial statements
HKAS 39 (Amendment)	Eligible hedged items
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters
HKFRS 2 (Amendment)	Group cash-settled share-based payment transactions
HKFRS 3 (Revised)	Business combinations
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners

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3. 會計政策 (續)

本集團已就收購日期為二零一零年一月一日或之後之業務合併追溯採納香港財務報告準則第3號(經修訂)「業務合併」。本集團亦已提早採納香港會計準則第27號(經修訂)「綜合及獨立財務報表」有關於二零一零年一月一日或之後取得控制權或失去附屬公司控制權後，於附屬公司擁有權益變動之會計處理方式之規定。

由於在中期期間並無進行適用於香港財務報告準則第3號(經修訂)及香港會計準則第27號(經修訂)之交易，故採納香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其後對其他香港財務報告準則之修訂對本集團本期間或過往會計期間之簡明綜合中期財務報表並無影響。

倘香港財務報告準則第3號(經修訂)、香港會計準則第27號(經修訂)及其後對其他香港財務報告準則之修訂適用於日後進行之交易，則可能影響本集團之未來期間之業績。

採納其他新訂及經修訂香港財務報告準則對本集團本期間或過往會計期間之簡明綜合中期財務報表並無影響。

本集團並無提早採納以下已頒布但尚未生效之新訂或經修訂準則、修訂本或詮釋。

3. ACCOUNTING POLICIES (CONTINUED)

The Group applies HKFRS 3 (Revised) “Business Combinations” prospectively to business combinations for which the acquisition date is on or after 1 January 2010. The requirements in HKAS 27 (Revised) “Consolidated and Separate Financial Statements” in relation to accounting for changes in ownership interests in a subsidiary after control is obtained and for loss of control of a subsidiary are also applied prospectively by the Group on or after 1 January 2010.

As there was no transaction during the current interim period in which HKFRS 3 (Revised) and HKAS 27 (Revised) are applicable, the application of HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to other HKFRSs had no effect on the condensed consolidated interim financial statements of the Group for the current or prior accounting periods.

Results of the Group in future periods may be affected by future transactions for which HKFRS 3 (Revised), HKAS 27 (Revised) and the consequential amendments to the other HKFRSs are applicable.

The application of the other new and revised HKFRSs had no effect on the condensed consolidated interim financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new or revised standards, amendments or interpretations that have been issued but are not yet effective.

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3. 會計政策 (續)

香港財務報告準則
(修訂本) 對二零一零年香港財務報告準則
之改進¹

香港會計準則第24號
(經修訂) 關連人士披露⁴

香港會計準則第32號
(修訂本) 供股分類²

香港財務報告準則第1號
(修訂本) 香港財務報告準則第7號對首次
採納者披露比較數字之
有限豁免³

香港財務報告準則第9號 金融工具⁵

香港(國際財務報告
詮釋委員會)– 詮釋
第14號(修訂本) 預付最低資金規定⁴

香港(國際財務報告詮釋
委員會)– 詮釋第19號 以股本工具抵銷金融負債³

¹ 於二零一零年七月一日及二零一一年
一月一日(如適用)或之後開始之年度
期間生效

² 於二零一零年二月一日或之後開始之
年度期間生效

³ 於二零一零年七月一日或之後開始之
年度期間生效

⁴ 於二零一一年一月一日或之後開始之
年度期間生效

⁵ 於二零一三年一月一日或之後開始之
年度期間生效

3. ACCOUNTING POLICIES (CONTINUED)

HKFRSs (Amendments) Improvements to HKFRSs 2010¹

HKAS 24 (Revised) Related party disclosures⁴

HKAS 32 (Amendment) Classification of rights issues²

HKFRS 1 (Amendment) Limited exemption from
comparative HKFRS 7
disclosures for first-time
adopters³

HKFRS 9 Financial Instruments⁵

HK(IFRIC) – INT 14
(Amendment) Prepayments of a minimum
funding requirement⁴

HK(IFRIC) – INT 19 Extinguishing financial liabilities
with equity instruments³

¹ Effective for annual periods beginning on or after 1 July 2010
and 1 January 2011, as appropriate

² Effective for annual periods beginning on or after 1 February
2010

³ Effective for annual periods beginning on or after 1 July 2010

⁴ Effective for annual periods beginning on or after 1 January
2011

⁵ Effective for annual periods beginning on or after 1 January
2013

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3. 會計政策 (續)

香港財務報告準則第9號金融工具引入金融資產分類及計量之新規定並將於二零一三年一月一日生效，並允許提早採納。該準則規定所有香港會計準則第39號金融工具：確認及計量範圍內已確認之金融資產將以攤銷成本或公平值計量。具體來說，債務投資為(i)在以收取合約現金流量為目標的業務模式下持有；及(ii)其合約現金流量僅為支付本金及未償還本金之利息，一般以攤銷成本計量。所有其他債務投資及股本投資均以公平值計量。採納香港財務報告準則第9號可能會影響本集團金融資產之分類及計量。

本公司董事預期採納其他新訂及經修訂準則、修訂本或詮釋將不會對本集團之業績及財務狀況造成重大影響。

4. 分部報告

本集團按部門劃分管理其業務，所有分部均位於中華人民共和國（「中國」）境內。並無將任何經營分部合計以構成以下之呈報分部。

- 環保產品及設備之銷售：此分部向外部客戶銷售環保產品及設備。目前本集團此類業務僅在中國開展。
- 環保建設工程項目：此分部為外部客戶營建環保工程項目。目前本集團此類業務僅在中國開展。
- 提供環保相關專業服務：此分部向外部客戶及本集團公司提供環保相關專業服務。目前本集團此類業務僅在中國開展。

3. ACCOUNTING POLICIES (CONTINUED)

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

The directors of the Company anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4. SEGMENT REPORTING

The Group manages its businesses by divisions and all those divisions are located in the People's Republic of China (the "PRC"). No operating segments have been aggregated to form the following reportable segments.

- Sale of EP products and equipment: this segment sells EP products and equipment to external customers. Currently the Group's activities in this regard are carried out in the PRC only.
- EP construction engineering projects: this segment constructs EP engineering projects for external customers. Currently the Group's activities in this regard are carried out in the PRC only.
- Provision of EP related professional services: this segment provides EP related professional services to external customers and for Group companies. Currently the Group's activities in this regard are carried out in the PRC only.

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4. 分部報告 (續)

(a) 分部業績、資產及負債

根據香港財務報告準則第8號，於中期財務報表中披露的分部資料已按與本集團最高級行政管理人員就評估分部表現及分部間分配資源使用的資料一致之方式進行編製。就此而言，本集團高級行政管理層按以下基礎監控各呈報分部之業績、資產及負債：

分部資產包括所有有形資產、無形資產及流動資產（於金融資產及其他公司資產之投資除外）。分部負債包括各分部應付貿易及其他應付款項及由高級行政管理層直接管理的短期銀行貸款。

收益及支出乃經參考該等分部產生之銷售額及提供之服務，以及所產生的支出或該等分部應佔之資產折舊或攤銷產生之支出分配予呈報分部。分部間提供支持不計算在內。

用於呈報分部溢利的方法為「經調整EBITDA」，即「經調整之未計利息、稅項、折舊及攤銷前的溢利」，其中利息包括投資收入，「折舊及攤銷」包括非流動資產之減值虧損。為計算「經調整EBITDA」，本集團之盈利乃對並未指定屬於個別分部之項目作出進一步調整，如董事及核數師之酬金及其他公司行政成本。

4. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities

In accordance with HKFRS 8, segment information disclosed in this interim financial statements has been prepared in a manner consistent with the information used by the Group's most senior executive management for the purposes of assessing segment performance and allocating resources between segments. In this regard, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include trade and other payables attributable to individual segments and short term bank loan managed directly by the senior executive management.

Revenue and expenses are allocated to the reportable segments with reference to sales generated and services rendered by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Inter-segment assistance provided by one segment to another, is not measured.

This measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as included investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other corporate administration costs.

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4. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

除收到有關經調整EBITDA之分部資料外，管理層獲提供有關收益的分部資料（包括分部間銷售）、由各分部直接管理的現金結餘及借貸之利息收入及支出、分部於營運中所使用非流動分部資產的折舊、攤銷及減值虧損以及添置。分部間銷售乃經參考就類似訂單向外部人士收取的價格而進行定價。

4. SEGMENT REPORTING (CONTINUED)

(a) Segment results, assets and liabilities (Continued)

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter-segment sales), interest income and expense from cash balances are borrowings managed directly to the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

銷售環保產品及設備		環保建設工程項目		提供環保相關專業服務		總計	
Sale of EP products and equipment		EP construction engineering projects		Provision of EP related professional services		Total	
二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年	二零一零年	二零零九年
2010	2009	2010	2009	2010	2009	2010	2009
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000

截至六月三十日止六個月 For the six months ended 30 June

來自外部客戶之 呈報分部收益	Reportable segment revenue from external customer	226,562	148,833	13,114	31,316	2,015	10,045	241,691	190,194
呈報分部溢利/ (虧損)(經調整之 未計利息、稅項、 折舊及攤銷前的溢利)	Reportable segment profit/ (loss) (adjusted EBITDA)	63,873	38,776	1,803	9,020	(1,762)	7,839	63,914	55,635
呈報分部資產	Reportable segment assets	300,069	224,344	201,118	221,944	13,615	6,318	514,802	452,606
呈報分部負債	Reportable segment liabilities	140,176	41,807	117,477	111,197	16,254	10,085	273,907	163,089

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4. 分部報告 (續)

4. SEGMENT REPORTING (CONTINUED)

(b) 呈報分部收益、溢利或虧損、資產及負債之對賬

(b) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
收益	Revenue		
來自外部客戶之 呈報分部收益	Reportable segment revenue from external customer	241,691	190,194
溢利	Profit		
源自外部客戶之 呈報分部溢利	Reportable segment profit derived from external customers	63,914	55,635
其他收益及其他淨 (虧損)/收入	Other revenue and other net (loss)/income	(677)	14,820
折舊及攤銷	Depreciation and amortisation	(2,738)	(2,747)
融資成本	Finance costs	-	(1,677)
未分配總部及企業開支	Unallocated head office and corporate expenses	(13,046)	(16,706)
綜合除稅前溢利	Consolidated profit before taxation	47,453	49,325
		於二零一零年 六月三十日 At 30 June 2010 人民幣千元 RMB'000	於二零零九年 十二月三十一日 At 31 December 2009 人民幣千元 RMB'000
資產	Assets		
呈報分部資產	Reportable segment assets	514,802	452,606
非流動金融資產	Non-current financial assets	6,850	6,850
未分配總部及企業資產	Unallocated head office and corporate assets	1,034,561	946,952
綜合總資產	Consolidated total assets	1,556,213	1,406,408
負債	Liabilities		
呈報分部負債	Reportable segment liabilities	273,907	163,089
應付稅項	Tax payable	22,841	19,722
未分配總部及企業負債	Unallocated head office and corporate liabilities	95,154	63,770
綜合總負債	Consolidated total liabilities	391,902	246,581

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5. 除稅前溢利

除稅前溢利已扣除／(計入) 以下各項：

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零一零年	二零零九年
		2010	2009
		人民幣千元	人民幣千元
		RMB'000	RMB'000
(a) 融資成本	(a) Finance costs		
借款利息	Interest on borrowings	-	1,677
融資成本總額	Total finance costs	-	1,677
(b) 其他項目	(b) Other items		
攤銷	Amortisation	85	84
折舊	Depreciation	2,653	2,663
股息及利息收入	Dividend and interest income	(1,752)	(6,959)

6. 所得稅

6. INCOME TAX

		截至六月三十日止六個月	
		Six months ended 30 June	
		二零一零年	二零零九年
		2010	2009
		人民幣千元	人民幣千元
		RMB'000	RMB'000
即期稅項 – 中國企業所得稅	Current tax – PRC enterprise income tax	14,470	12,563

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6. 所得稅 (續)

- (i) 自二零零八年一月一日起，於中國成立之所有國內及外商投資企業普遍採用25%之劃一企業所得稅稅率，惟若干例外或豁免除外。
- (ii) 由於本集團之收入並非於香港產生，亦非來自香港，故截至二零零九年及二零一零年六月三十日止期間本集團並無就香港利得稅作出撥備。

於二零零八年六月二十六日，香港立法會通過的二零零八年收入條例法案，並將二零零八／零九年課稅年度之企業利得稅率由17.5%減至16.5%。香港利得稅按期內估計應課稅溢利之16.5% (二零零九年：16.5%) 計算。

- (iii) 根據自二零零八年一月一日起生效之中國企業所得稅法，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之所得與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入 (如源於中國境內之股息) 按10%稅率繳納預提稅。於二零零八年二月二十二日，國家稅務總局通過財稅(2008)第1號，據此，外商投資企業於二零零七年十二月三十一日前從其保留盈利作出之股息分派將可獲豁免繳納預提稅。由於本公司控制本集團中國附屬公司之股息政策，故本集團並無確認有關股息預提稅之遞延稅項負債。

6. INCOME TAX (CONTINUED)

- (i) An uniform enterprise income tax of 25% became generally applicable to all domestic and foreign investment enterprises established in the PRC, subject to certain exceptions or exemptions with effect from 1 January 2008.
- (ii) No provision for Hong Kong profits tax has been made for the period ended 30 June 2009 and 2010 as the Group's income neither arises nor is derived from Hong Kong.

On 26 June 2008, the Hong Kong Legislative Council passed the Revenue Bill 2008 and reduced corporate profits tax rate from 17.5% to 16.5% which is effective from the year of assessment 2008/09. Hong Kong Profits Tax is calculated at 16.5% (2009: 16.5%) of the estimated assessable profit for the period.

- (iii) Under the Enterprise Income Tax Law of the PRC with effect from 1 January 2008 onwards, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business but the relevant income is not effectively connected with the establishment or a place of business in the PRC will be subject to withholding income tax at the rate of 10% on various types of passive income such as dividends derived from sources in the PRC. On 22 February 2008, the State Administration of Taxation approved Caishui (2008) No. 1, pursuant to which dividend distributions out of retained earnings of foreign investment enterprises prior to 31 December 2007 will be exempted from withholding income tax. No deferred tax liabilities in respect of the withholding income tax on dividends has been recognised by the Group as the Company controls the dividends policy of the Group's PRC subsidiaries.

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7. 每股盈利

(a) 每股基本盈利

每股基本盈利乃基於本公司擁有人應佔溢利約人民幣34,640,000元(截至二零零九年六月三十日止六個月:人民幣35,525,000元)及期內已發行800,000,000股普通股(二零零九年:800,000,000股)之加權平均數計算。

(b) 每股攤薄盈利

由於本公司於截至二零一零年六月三十日及二零零九年六月三十日止期間的未行使購股權之行使價較期內股份之平均市價為高,因而預計將不會行使購股權認購本公司股份,故每股攤薄盈利相等於每股基本盈利。

8. 物業、廠房及設備變動

截至二零一零年六月三十日止六個月,本集團購置物業、廠房及設備之成本總額約為人民幣564,000元(二零零九年:人民幣306,000元)。於截至二零一零年六月三十日止六個月並無出售(截至二零零九年六月三十日止六個月:人民幣55,000元,導致獲得出售收益人民幣47,000元)。

7. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of approximately RMB34,640,000 (six months ended 30 June 2009: RMB35,525,000) and the weighted average of 800,000,000 ordinary shares (2009: 800,000,000 shares) in issue during the interim period.

(b) Diluted earnings per share

Diluted earnings per share equal to basic earnings per share for the period ended 30 June 2010 and 30 June 2009 as the exercise price of the Company's outstanding share options was higher than the average market price for shares for the period and therefore it is anticipated that no share option to subscribe for the Company's shares will be exercised.

8. MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2010, the Group acquired property, plant and equipment with an aggregate cost of approximately RMB564,000 (2009: RMB306,000). No disposal has been made during the six months ended 30 June 2010 (six months ended 30 June 2009: RMB55,000, resulting in a gain on disposal of RMB47,000).

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9. 應收貿易及其他應收款項

應收貿易及其他應收款項包括以下應收款項（扣除呆賬撥備），其賬齡分析如下：

9. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are debtors (net of allowance for doubtful debts) with the following aging analysis:

		於二零一零年 六月三十日 At 30 June 2010 人民幣千元 RMB'000	於二零零九年 十二月三十一日 At 31 December 2009 人民幣千元 RMB'000
即期	Current	64,223	86,972
逾期少於1個月	Less than 1 month past due	6,768	25,488
逾期1至3個月	1 to 3 month past due	10,623	34,190
逾期3至12個月	3 months to 12 months past due	102,401	29,973
應收貿易賬款 (扣除呆賬撥備)	Trade debtors, net of allowance for doubtful debts	184,015	176,623
其他應收款項	Other receivables	45,696	51,022
減：呆賬撥備	Less: Allowance for doubtful debts	(147)	(147)
		45,549	50,875
應收一間關聯公司款項	Amounts due from a related company	-	2,028
貸款及應收款項	Loans and receivables	229,564	229,526
預付款項及按金	Prepayments and deposits	189,027	127,361
應收客戶合約工程款項	Amount due from customers for contract work	190,756	184,105
		609,347	540,992

應收貿易賬款一般包括未付餘額，如根據各自合約之支付條款應收取、由客戶保留直到通常為一至兩年之擔保期履行之質量保證金（一般為合約總價值之5%至20%）。本集團通常會向客戶授予一至兩個月之信貸期。除上述保留金外，應收貿易賬款預期於一年內將予收回或確認為支出。

Trade receivables generally include the balances yet to be due such as the quality retention monies (typically 5% to 20% of the total contracted value) that retained by the customers until the fulfillment of the warranty period of generally 1 to 2 years, receivable pursuant to the payment terms of the respective contracts. The Group normally grants credit terms from 1 to 2 months to its customers. Apart from those mentioned retention monies, trade receivables are expected to be recovered or recognised as expense within one year.

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10. 應付貿易及其他應付款項

應付貿易及其他應付款項包括以下應付款項，其於報表日期末之賬齡分析如下：

10. TRADE AND OTHER PAYABLES

Included in trade and other payables is trade creditors with the following aging analysis as of the end of the reporting period:

		於二零一零年 六月三十日 At 30 June 2010 人民幣千元 RMB'000	於二零零九年 十二月三十一日 At 31 December 2009 人民幣千元 <i>RMB'000</i>
0至30日	0 to 30 days	93,252	59,054
31至60日	31 to 60 days	2,048	1,300
61至90日	61 to 90 days	156	30
91至180日	91 to 180 days	18,190	578
181至365日	181 to 365 days	1,310	4,592
365日以上	Over 365 days	36,850	11,644
應付貿易賬款	Trade payables	151,806	77,198
應計及其他應付款項	Accruals and other payables	71,384	51,213
應付少數股東款項	Amounts due to minority shareholders	5,868	11,334
應付董事款項	Amount due to a director	1,424	1,223
以攤銷成本計量的 金融負債	Financial liabilities measured at amortised cost	230,482	140,968

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11. 股本

11. SHARE CAPITAL

股本	Share capital	股份數目	金額
		Number of shares 千股 '000	Amount 千港元 HK\$'000
每股面值0.1港元的普通股	Ordinary shares of HK\$0.1 each		
法定：	Authorised:		
於二零零九年十二月三十一日 及二零一零年六月三十日	At 31 December 2009 and 30 June 2010	4,000,000	400,000
已發行及繳足：	Issued and fully paid:		
於二零零九年十二月三十一日 及二零一零年六月三十日	At 31 December 2009 and 30 June 2010	800,000	80,000
於二零零九年十二月三十一日 及二零一零年六月三十日 之綜合財務狀況表中呈列	Shown in the consolidated statement of financial position at 31 December 2009 and 30 June 2010	相等於人民幣74,872,000元 Equivalent to RMB74,872,000	

12. 儲備及股息

12. RESERVES AND DIVIDENDS

(a) 股息

(a) Dividends

(i) 應付本公司擁有人中期股息

(i) Dividends payable to owners of the Company attributable to the interim period

	二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
於中期期間後並無宣派及 支付中期股息 (二零零九年：無)	No interim dividend declared and paid after the interim period (2009: Nil)	-

董事不建議就截至二零一零年六月三十日止六個月派發任何中期股息(二零零九年：無)。

The directors do not propose any interim dividend for the six months ended 30 June 2010 (2009: Nil).

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截至二零一零年六月三十日止六個月 • For the six months ended 30 June 2010

12. 儲備及股息 (續)

(a) 股息 (續)

- (ii) 於中期期間批准及已支付上
個財政年度之應付本公司擁
有人股息

於中期期間批准及支付
上個財政年度之末期
股息每股4港仙
(截至二零零九年
六月三十日
六個月：零港元)

Final dividend in respect of the
previous financial year,
approved and paid during
the following interim period,
of HK\$4 cents per share
(six months ended
30 June 2009: HK\$Nil)

截至六月三十日止六個月
Six months ended 30 June
二零一零年 二零零九年
2010 2009
人民幣千元 人民幣千元
RMB'000 RMB'000

27,904

—

(b) 以股本結算之股份交易

本公司於二零零八年五月十四日根
據本公司之購股權計劃以每份1港
元的代價向其董事、高級管理人員
及僱員授出17,800,000份購股
權。每份購股權賦予持有人認購本
公司一股每股面值為0.1港元之普
通股的權利。該等購股權於二零零
九年五月十四日歸屬，並可於二零
一八年五月十三日之前行使。行使
價為2.81港元，及購股權授出日期
前的本公司普通股的加權平均收市
價為2.80港元。

於截至二零一零年六月三十日止
六個月內，概無購股權獲行使
(二零零九年：無)。

(b) Equity settled share-based transactions

On 14 May 2008, 17,800,000 share options were granted
for HK\$1 consideration per offer to Directors, senior
management and employees of the Company under
the Company's share option scheme. Each option gives
the holder the right to subscribe for one ordinary share
of HK\$0.1 each of the Company. These share options
vested on 14 May 2009, and will be exercisable until
13 May 2018. The exercise price is HK\$2.81 and the
weighted average closing price of the Company's ordinary
shares immediately before the grant was HK\$2.80.

No options were exercised during the six months ended
30 June 2010 (2009: Nil).

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13. 承擔

13. COMMITMENTS

(a) 資本承擔

(a) Capital commitments

		本集團 The Group	
		於二零一零年 六月三十日 At 30 June 2010 人民幣千元 RMB'000	於二零零九年 十二月三十一日 At 31 December 2009 人民幣千元 RMB'000
有關收購之已訂約 但未於財務 報表作出撥備 之資本開支 – 物業、廠房及設備	Capital expenditure contracted for but not provided in the financial statements in respect of the acquisition of – property, plant and equipment	86,026	51,296

(b) 經營租賃承擔

(b) Operating lease commitments

本集團作為承租人：

The Group as lessee:

本集團就租賃物業之不可撤銷經營租賃而須於未來支付最低租賃款額之承擔到期情況如下：

The Group had commitment for future minimum lease payments under non-cancellable operating leases in respect of the renting of premises which fall due as follows:

		於二零一零年 六月三十日 At 30 June 2010 人民幣千元 RMB'000	於二零零九年 十二月三十一日 At 31 December 2009 人民幣千元 RMB'000
一年內	Within one year	837	135
第二年至五年 (包括首尾兩年)	In the second to fifth years, inclusive	1,326	–
		2,163	135

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13. 承擔 (續)

(b) 經營租賃承擔 (續)

本集團作為出租人：

本集團已與租戶就以下不可撤銷應收未來最低租金付款訂立合約：

		於二零一零年 六月三十日 At 30 June 2010 人民幣千元 RMB'000	於二零零九年 十二月三十一日 At 31 December 2009 人民幣千元 RMB'000
一年內	Within one year	53	53
第二年至五年 (包括首尾兩年)	In the second to fifth years, inclusive	89	124
		142	177

14. 或然負債

本集團就其已完工煙氣脫硫建設工程及售出之若干環保產品於工程完工或產品付運後半年至兩年之保證期內向其客戶提供產品保證。同時，本集團亦獲得其分包商及供應商就供應該等建設工程及設備之保證。本公司董事認為，明確保證負債金額超過分包商及供應商所提供之保證金額(如有)，將不會對本集團之綜合財務狀況或經營業績產生重大不利影響。

13. COMMITMENT (CONTINUED)

(b) Operating lease commitments (Continued)

The Group as lessor:

The Group had contracted with tenants for the following non-cancellable future minimum lease payments receivables:

14. CONTINGENT LIABILITIES

The Group has provided product warranty to its customers in respect of FGD construction work completed and certain of its EP products sold for a warranty period ranging from 6 months to 2 years after project or product delivery. At the same time, the Group has also received warranties in respect of those construction work and equipment supplied from its sub-contractors and suppliers. The directors of the Company believe that the amount of crystallised warranty liabilities, if any, in excess of the amount covered by the warranties given by the sub-contractors and suppliers, will not have a material adverse effect on the overall financial position or results of operations of the Group.

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15. 關聯人士交易

- (a) 於截至二零零九年及二零一零年六月三十日止兩個期間，除於該等財務報表其他部份所披露之交易及結存外，本集團訂立了下列關聯人士交易：

15. RELATED PARTY TRANSACTIONS

- (a) During the two period ended 30 June 2009 and 2010, in addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following related party transactions:

關聯人士名稱 Name of related party	與關聯人士之關係 Relationship with related party	交易性質 Nature of transaction	截至六月三十日止六個月 For the six months ended 30 June	
			二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
無錫新威高溫陶瓷有限公司 Wuxi Xin Wei High Temperature Ceramics Co., Ltd.	本公司董事蔣泉龍先生於其中擁有股權之公司 A company in which Mr. Jiang Quanlong, a director of the Company, has an equity interest	收取租金收入 Receipt of rental income	27	27

- (b) 於截至二零零九年及二零一零年六月三十日止期間，主要管理層人員之酬金詳情載列如下：

- (b) The details of emolument of key management personnel during the periods ended 30 June 2009 and 2010 are set out as following:

		截至六月三十日止六個月 Six months ended 30 June	
		二零一零年 2010 人民幣千元 RMB'000	二零零九年 2009 人民幣千元 RMB'000
袍金	Fees	412	385
花紅	Bonuses	-	-
其他酬金	Other emoluments	134	1,942
退休計劃供款	Contributions to retirement scheme	4	16
		550	2,343

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16. 資產抵押

於二零一零年六月三十日，附屬公司銀行存款約人民幣28,480,000元（二零零九年十二月三十一日：人民幣31,480,000元）已抵押，以獲取授予附屬公司銀行貸款約人民幣16,478,000元及銀行融資約人民幣15,617,000元（二零零九年十二月三十一日：人民幣51,296,000元）。

於二零一零年六月三十日，附屬公司已抵押賬面值約人民幣899,000元（二零零九年十二月三十一日：無）的建築物，以獲取授予債權人短期銀行貸款約人民幣9,000,000元。

16. PLEDGE OF ASSETS

At 30 June 2010, bank deposit of a subsidiary of approximately RMB28,480,000 (31 December 2009: RMB31,480,000) was pledged to secured bank loan of approximately RMB16,478,000 and banking facility of approximately RMB15,671,000 (31 December 2009: RMB51,296,000) granted to the subsidiary.

At 30 June 2010, a subsidiary had pledged buildings with carrying amount of approximately RMB899,000 (31 December 2009: Nil) to secure short term bank loan of approximately RMB9,000,000 granted to a creditor.



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