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Unless otherwise defined herein, capitalised terms used in this announcement shall have the same respective meanings as those defined in the prospectus dated 10 December 2007 (the "Prospectus") of Pan Asia Environmental Protection Group Limited (the "Company").

Potential investors of the Company should read through the Prospectus before dealing in the Shares.

PAN ASIA ENVIRONMENTAL PROTECTION GROUP LIMITED

泛亞環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 556)

NO STABILISING ACTION AND END OF STABILISATION PERIOD

The Company announces that the stabilisation period in connection with the Share Offer ended on 12 January 2008 and there was no stabilising action taken during the stabilisation period.

Further, the Over-allotment Option has not been exercised and lapsed on 9 January 2008.

The Company makes this announcement pursuant to Section 9(2) of the Securities and Futures (Price Stabilising) Rules (Chapter 571W of the Laws of Hong Kong). The Company announces that the stabilisation period in connection with the Share Offer ended on 12 January 2008 and there was no stabilising action taken during the stabilisation period.

Further, the Over-allotment Option has not been exercised and lapsed on 9 January 2008.

For and on behalf of the Board

Pan Asia Environmental Protection Group Limited

Jiang Quanlong

Chairman

The PRC, 12 January 2008

As at the date of this announcement, the executive Directors are Mr. Jiang Quanlong, Mr. Fan Yajun, Mr. Fang Guohong, Mr. Gan Yi and Mr. Jiang Lei; and the independent non-executive Directors are Mr. Lai Wing Lee, Professor Wang Guozhen and Mr. Leung Shu Sun, Sunny.