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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)

POSITIVE PROFIT ALERT

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

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Board, the Group is expected to record profit for the six months ended 30 June 2014 as compared with the loss recorded for the corresponding period in 2013.

The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts for the six months ended 30 June 2014 and is not based on any figures or information audited or reviewed by the Company's independent auditors, and may be subject to amendments.

Shareholders and potential investors are advised to refer to details in the interim results announcement of the Company for the six months ended 30 June 2014 which is expected to be published before the end of August 2014.

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

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

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Board, the Group is expected to record profit for the six months ended 30 June 2014 as compared with the loss recorded for the corresponding period in 2013.

Based on the information available to the Company immediately preceding the release of this announcement, the Board believes that the profit was mainly attributable to the substantial growth in revenue generated from the wood wool cement board business and an improvement in the gross profit margin generated from sales of environmental protection products and equipment of the Group.

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Shareholders and potential investors are advised to refer to details in the interim results announcement of the Company for the six months ended 30 June 2014 which is expected to be published before the end of August 2014.

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

By Order of the Board
Pan Asia Environmental Protection Group Limited
Jiang Quanlong
Chairman

Hong Kong, 5 August 2014

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

Executive Directors:

Mr. JIANG Quanlong
Mr. JIANG Lei
Mr. FAN Yajun

Independent Non-Executive Directors:

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