
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in New Environmental Energy Holdings Limited (the “Company”), you should at once hand this circular and accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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NEW ENVIRONMENTAL ENERGY HOLDINGS LIMITED

新環保能源控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 03989)

**MAJOR TRANSACTION —
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
HEMBLY GARMENT MANUFACTURING LIMITED**

Financial advisor to the Company



BRIDGE PARTNERS CAPITAL LIMITED

A notice convening the extraordinary general meeting of the Company (the “EGM”) to be held at Unit 1613–1618, 16/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 16 January 2012 at 11:00 a.m. is set out on pages 25 to 26 of this circular. A form of proxy for the EGM is enclosed. Whether or not you intend to attend and vote at the EGM or any adjourned meeting in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

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DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

| | |
|------------------------------|---|
| “Board” | the board of Directors of the Company |
| “Business Day” | a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours |
| “Company” | New Environmental Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange |
| “Completion” | completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Disposal Agreement |
| “Completion Date” | the date falling two Business Days after the conditions precedent have been fulfilled by the Company and/or the Purchaser (or such later date as the parties to the Disposal Agreement may agree in writing) |
| “Consideration” | the sum of HK\$12,000,000 |
| “Directors” | the directors of the Company |
| “Disposal” | the disposal of the Sale Shares pursuant to the Disposal Agreement |
| “Disposal Agreement” | the disposal agreement in respect of the Target Group entered into by the Vendor, the Purchaser and the Guarantor on 2 December 2011 |
| “EGM” | an extraordinary general meeting of the Company to be convened on Monday, 16 January 2012 at 11:00 a.m. for the purpose of considering, and if thought fit, approving the Disposal Agreement and the transactions contemplated thereunder |
| “Group” | the Company and its subsidiaries |
| “Guarantor” or “Mr. Wang” | Mr. Wang Cheng Jun, an Independent Third Party |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of PRC |

DEFINITIONS

| | |
|--------------------------------|--|
| “Independent Third Party(ies)” | the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected persons (as defined under the Listing Rules) |
| “Latest Practicable Date” | 22 December 2011, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication |
| “Listing Rules” | Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China, which for the purpose of this circular shall exclude Hong Kong, Taiwan and Macau Special Administrative Region |
| “Purchaser” | Golden Prestige Investments Limited, a company incorporated in British Virgin Islands |
| “Revenue Ratio” | has the meaning as ascribed under the Listing Rules |
| “Sale Shares” | the entire issued share capital of the Target Company immediately before Completion |
| “Share(s)” | ordinary share(s) of the Company |
| “Shareholders” | shareholders of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Hembly Garment Manufacturing Limited, a company incorporated in Hong Kong with limited liability |
| “Target Group” | the Target Company and its subsidiary(ies) |
| “Vendor” | Full Prosper Company Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company |
| “%” | per cent. |

* *For identification purposes only*



NEW ENVIRONMENTAL ENERGY HOLDINGS LIMITED

新環保能源控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 03989)

Executive Directors:

Mr. Yu Chang Jian (*Chairman*)
Mr. Liu Xiao Guang
Mr. Cao Guo Xian (*Chief Executive Officer*)
Mr. Marcello Appella
Mr. Tang Zhi Bin

Non-executive Directors:

Mr. Lim Jui Kian
Mr. Cai Qiao Herman
(alternate Director to Mr. Lim Jui Kian)

Independent non-executive Directors:

Mr. Lo Ming Chi, Charles
Mr. Pao Ping Wing
Mr. Kwan Hung Sang, Francis
Mr. Cheng Kai Tai, Allen

Registered Office:

Cricket Square
Hutchins Drive, P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*

Unit 1613-1618
16/F, Bank of America Tower
12 Harcourt Road, Central
Hong Kong

28 December 2011

To the Shareholders,

Dear Sir or Madam,

**MAJOR TRANSACTION —
DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF
HEMBLY GARMENT MANUFACTURING LIMITED**

INTRODUCTION

Reference is made to the announcement of the Company dated 2 December 2011 in relation to the Disposal.

LETTER FROM THE BOARD

On 2 December 2011 (after trading hours), the Vendor, the Purchaser and the Guarantor entered into the Disposal Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the entire issued share capital of the Target Company for a consideration of HK\$12,000,000. The Disposal is subject to the satisfaction of the conditions as set out in the paragraph headed “Conditions Precedent” below.

As the Revenue Ratio exceeds 25%, the entering into of the Disposal Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and Shareholders’ approval requirement.

As no Shareholder has an interest in the Disposal, no Shareholder is therefore required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal Agreement and the transaction(s) contemplated thereunder.

The purpose of this circular is to give you further information in respect of the Disposal, the Disposal Agreement and the transactions contemplated thereunder, the notice of EGM and the proxy form.

THE DISPOSAL AGREEMENT

Date: 2 December 2011

Parties:

- (1) Full Prosper Company Limited (a wholly-owned subsidiary of the Company), as the Vendor
- (2) Golden Prestige Investments Limited, as the Purchaser
- (3) Mr. Wang Cheng Jun, as the Guarantor

The Purchaser is a limited company incorporated in the British Virgin Islands and is principally engaged in investment holding. Mr. Wang Cheng Jun is a shareholder and a director of the Purchaser.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save for Mr. Wang was the senior management of the Group from April 2000 to November 2009, he neither has any business relationship nor employment history with the substantial shareholders of the Company and any past directors of the Company. Mr. Wang, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties and not connected with the Company and its connected persons (as defined under the Listing Rules).

In consideration of the Vendor agreeing to enter into the Disposal Agreement, the Guarantor has agreed to guarantee the performance by the Purchaser of its obligations under the Disposal Agreement subject to and upon the terms and conditions of the Disposal Agreement.

LETTER FROM THE BOARD

Assets to be disposed of

The Sale Shares, being the entire issued share capital of the Target Company.

Consideration

The Consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$12,000,000 and shall be satisfied in cash by the Purchaser in two (2) equal installments without interest in the following manner:

- (a) as to HK\$6,000,000 upon Completion; and
- (b) as to HK\$6,000,000 within six (6) months after the Completion Date.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser after taking into account (i) the total unaudited net asset value of the Target Group of HK\$11,739,000 as at 30 September 2011; and (ii) the valuation of the Target Group in the amount of HK\$11,684,000 as stated in the valuation report issued by Greater China Appraisal Limited (the "Valuer") (the "Valuation Report"), an independent valuer, on 2 December 2011 (the "Valuation Date"). A summary of a full text of the Valuation Report is set out in the paragraph headed "Summary of the Valuation Report" below. The Directors consider that the major valuation analysis of the Valuation Report has been summarized below, therefore, the Circular (without providing the full Valuation Report) is still accurate and complete in all material respects and not be misleading or deceptive.

The Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Disposal is conditional upon fulfillment of all of the following conditions:

1. the passing by the Shareholders at the EGM to be convened and held of any resolution(s) approving the Disposal Agreement and the transactions contemplated under or incidental to the Disposal Agreement;
2. the Purchaser having completed a due diligence review on the Target Group to its reasonable satisfaction;
3. all necessary consents, authorizations, licences and approvals for or in connection with the sale and purchase of the Sale Shares having been obtained, granted and not withdrawn or revoked by third parties (including but not limited to, government bodies, stock exchange and other relevant authorities having jurisdiction over the transactions contemplated under the Disposal Agreement);

LETTER FROM THE BOARD

4. the Vendor's warranties contained in the Disposal Agreement having remained true and accurate and not misleading at all times from the date of the Disposal Agreement up to and including the Completion Date;
5. the Purchaser's warranties contained in the Disposal Agreement having remained true and accurate and not misleading at all times from the date of the Disposal Agreement up to and including the Completion Date; and
6. the compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance by the Company (and, where applicable, the Purchaser), at any time prior to the Completion in relation to the transactions contemplated under the Disposal Agreement.

If the above conditions are not fulfilled (or waived, as the case may be) on 31 January 2012 (or such later time and date as the parties to the Disposal Agreement may agree in writing), the Disposal Agreement shall automatically terminate and cease to be of any effect (save for certain clauses of the Disposal Agreement, including the restrictions on issuing the announcements, notices and governing law and jurisdictions which shall continue to have full force and effect) and no party shall have any obligations and liabilities under the Disposal Agreement save for any antecedent breaches of the terms of the Disposal Agreement. None of the above conditions may be waived by the parties of the Disposal Agreement except that the condition 2 may be waived by the joint agreement of the Vendor and the Purchaser.

Guarantee

The Guarantor hereby unconditionally and irrevocably undertakes to the Vendor to procure the due and punctual performance by the Purchaser of all the obligations expressed to be imposed on or assumed by it under the Disposal Agreement and undertakes to indemnify and keep effectively indemnifying the Vendor (if necessary by the payment of cash on first demand) against all liabilities, losses, damages, costs and expenses stipulated under the Disposal Agreement or otherwise which the Vendor may suffer or incur in connection with any default or delay on the part of the Purchaser in the performance of any such obligations.

Without prejudice to the other provisions of the Disposal Agreement, the obligations and undertakings expressed to be assumed by or imposed on the Guarantor under the Disposal Agreement shall remain in force so long as the Purchaser shall have any liability or obligation to the Vendor under the Disposal Agreement and until all such liabilities and obligations have been discharged in full.

Completion

Completion of the Disposal shall take place within 2 Business Days after all the above conditions precedent are fulfilled by both the Vendor and the Purchaser (or such later date as agreed by the parties in writing). Upon Completion, the Target Company will cease to be a subsidiary of the Company.

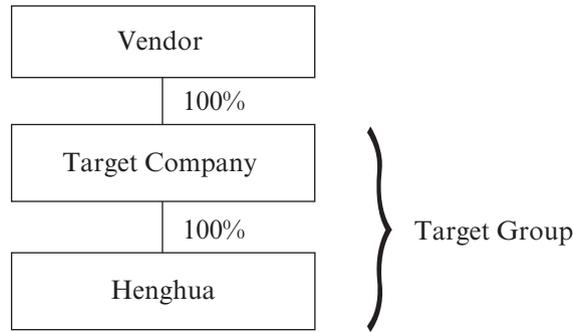
LETTER FROM THE BOARD

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong and is principally engaged in the sales of garments and investment holding. As at the Latest Practicable Date, the Target Company is wholly-owned by the Vendor and indirectly wholly owned by the Company.

恆華(南京)服飾有限公司 (Henghua (Nanjing) Garment Company Limited*) (“Henghua”), is a company incorporated in the PRC and is principally engaged in the trading of garments. As at the Latest Practicable Date, Henghua is wholly-owned by the Target Company. Most of the products of the Target Group are exported to Eurozone countries.

The structure of the Target Group is as follows:



The following is a summary of the financial information of the Target Group for the two financial years ended 31 December 2010 prepared in accordance with Hong Kong Financial Reporting Standards:

| | As at 31 December 2010 HK\$'000 | As at 31 December 2009 HK\$'000 |
|--------------------------------------|---|---|
| Net (liabilities)/assets value | (196,636) | 2,457 |
| | For the year ended 31 December 2010 HK\$'000 | For the year ended 31 December 2009 HK\$'000 |
| Loss before taxation (<i>Note</i>) | 110,881 | 12,813 |
| Loss for the year | 147,214 | 234,744 |

Note: The figure represents the financial results of the Target Group generated from its continuing operations.

LETTER FROM THE BOARD

SUMMARY OF THE VALUATION REPORT

The Valuation Report was issued by the Valuer on 2 December 2011. During the valuation analysis, the asset approach, the market approach and the income approach were considered, and the approach or approaches deemed most relevant will then be selected for use in the fair value analysis of the asset.

The Market Approach

The Valuer have considered but rejected the market approach for the valuation of the equity interest of the Target Group because the Company is about to dispose the Target Group's business operation and they were unable to satisfy themselves to compare it with other public or private companies with outgoing operation.

The Income Approach

The Valuer have considered but rejected the income approach for the valuation of the equity interest of the Target Group because the Company is about to dispose the Target Group's business operation and they were unable to satisfy themselves as to any profit forecast prepared by the management of the Target Group.

The Asset Approach

The Valuer have considered and applied the asset approach for the valuation of the equity interest of the Target Group because (i) the Target Group has significant part of its assets records at historical cost and (ii) the underlying assets of the Target Group are the driving factors in the valuation owing to the fact that the Company may dispose the Target Group's operation in the garment trading business.

As noted by the Valuer in respect of the valuation method adopted by it in valuing the Target Group, the valuation is performed by using the Adjusted Book Value Method, which is based on the balance sheet of the Target Group as at 30 September 2011 and then adjusted the value of all its assets and liabilities to the fair value. As noted by the Valuer, the methodology is typically based on the premise that a business will continue to operate in a manner consistent with its intended business purpose, i.e. the going concern premise of value, as opposed to liquidation.

Based on the sub-consolidated accounts of the Target Group extracted from the working paper of the Company in the Company's interim report and reviewed by the auditors, the Company adjusted the book value of the Target Group's assets and liabilities as at 30 June 2011 to the unaudited pro forma financial position of the Target Group as at 30 September 2011 by considering the relevant accounting and impairment transactions occurred during the period from 1 July 2011 to 30 September 2011. The Valuer then adjusted the unaudited pro forma financial positions as at 30 September 2011 to their actual or estimated fair values to estimate the net asset value of the Target Group as at the Valuation Date. Since the assets and the liabilities of the Target Group have been already adjusted to their actual or estimated fair values, the Valuer considered that the marketability discount in this case is not applicable.

LETTER FROM THE BOARD

Based on the unaudited consolidated account of the Target Group, the net asset value of the Target Group was HK\$11,739,000 as at 30 September 2011. The Valuer then adjusted the unaudited consolidated account as at 30 September 2011 to their actual or estimated fair values to estimate the net asset value of the Target Group as at the Valuation Date.

| | 30 September 2011 <i>HK\$'000</i> |
|--------------------------------------|---|
| Net Asset Value (NAV) | 11,739 |
| Valuation Adjustment (<i>Note</i>) | <u>(55)</u> |
| Adjusted NAV | <u><u>11,684</u></u> |

Note: This represents the adjustment on the bank deposit as at 30 September 2011. Since the Target Company received a post dated cheque after 30 September 2011 and has been included in the ledger of the Target Company, the Valuer considers that it is prudent to exclude such amount from the total bank and cash balance as at the Valuation Date in the valuation.

REASONS FOR THE DISPOSAL

The principal activities of the Company and its subsidiaries are the trading of apparel and accessories, provision of waste treatment technologies and services which specialized in technology development, design, system integration, project investment, consultancy, operation and maintenance of waste treatment facilities, especially waste-to-energy projects. According to the interim report of the Company for the six months ended 30 June 2011, the Group recorded an unaudited loss of approximately HK\$103.86 million from the trading of apparel and accessories segment, representing an increase of approximately 7.1 times as compared with the loss of HK\$12.85 million for the six months ended 30 June 2010.

In 2011, the Eurozone debt crisis has spread to some other European countries apart from Greece, such as Italy, Spain, France and Portugal. Concern about rising government deficits and debt levels together with a wave of downgrading of European government debt rating created alarm in financial markets. It is anticipated that the debt crisis may further reduce the purchasing power and worsen the general economy of the Eurozone countries. Given that Europe is a major market of the Group's garment trading business which attributed more than 50% of the total revenue from the trading of apparel and accessories business segment of the Group for the six months ended 30 June 2011, the Directors consider that the Group's trading of apparel and accessories business will be adversely affected. In view of the above factors, the Directors consider that it is in the interests of the Company and its Shareholders to dispose of the Target Group.

Due to the fact that the Group has not engaged in any business of trading of apparel and accessories in these few months which was loss making in the past few years and in view of the future development of waste-to-energy industry in China, the Directors consider that the Group will continue to focus on the development of waste-to-energy business in Asia and cease to carry on the business of trading of apparel and accessories after the Disposal. Save for the Disposal, the Company had no intention, negotiation, agreement, arrangement and understanding (concluded or otherwise) about any disposal, scaling-down and/or termination of its existing business at the Latest Practicable Date.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) also consider that the terms and conditions of the Disposal Agreement and the Disposal contemplated thereunder are fair and reasonable and in the interests of the Company and Shareholders as a whole.

FINANCIAL IMPACT OF THE DISPOSAL ON THE GROUP

Earnings

According to the financial statement of the Target Company for the year ended 31 December 2010, the Target Group recorded the net liabilities value of HK\$196.64 million, which was mainly attributed from the amount due to the Group (other than the Target Group) of approximately HK\$290.44 million. Subsequent to 31 December 2010, the Group capitalized the whole amount by way of allotment and issue of new shares of the Target Company (the “**Capitalisation**”). As a result of the Capitalisation, the Target Group is not indebted to the Group. In addition to the Capitalization, due to the adverse market situation on the trading of apparel and accessories business, the Company has made an impairment on inventories and trade receivables in between 31 December 2010 and 30 September 2011.

Upon Completion, the Group is expected to recognize an one-off loss on disposal of the Target Group of approximately HK\$0.74 million after taking into account of the professional and other fees incidental to the Disposal. Such loss is calculated with reference to the difference between the net proceeds of the Disposal and the unaudited net assets value of the Target Group which amounted to approximately HK\$11.74 million as at 30 September 2011 (adjusted after the Capitalisation). Shareholders should note that the actual gain/loss on the Disposal to be recorded by the Company will depend on the net asset value of the Target Group as at the date of Completion.

Assets and liabilities

Upon Completion, the Target Group will cease to be a subsidiary of the Company and the financial results of the Target Group will no longer be consolidated into the financial statements of the Group. Based on the unaudited consolidated accounts of the Group as at 30 September 2011, the net assets of the Group is expected to be decreased immediately after the Completion.

Save as disclosed herein, the Disposal will not have any material impact on the earnings and assets and liabilities of the Group.

USE OF PROCEEDS

The Group intends to keep the net proceeds of approximately HK\$11,000,000 derived from the Disposal as general working capital which will be used for its existing businesses and for funding of investments as and when suitable opportunities arise. Save for the acquisition of the entire issued share capital of 禮陵首創垃圾綜合處理有限責任公司 (Lining Beijing Capital Waste Treatment Company Limited*), the Company has not identified any suitable investment opportunities as at the Latest Practicable Date.

LETTER FROM THE BOARD

LISTING RULES IMPLICATION OF THE DISPOSAL

As the Revenue Ratio exceeds 25%, the entering into of the Disposal Agreement constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement and Shareholders' approval requirement.

As no Shareholder has an interest in the Disposal, no Shareholder is therefore required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal Agreement and the transaction(s) contemplated thereunder.

As Completion is subject to the fulfillment of a number of conditions precedent which are detailed in this circular, the Disposal may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

EGM

A notice convening the EGM with the resolutions, among other matters, is set out on pages 25 to 26 in this circular. Whether or not the Shareholders are able to attend the EGM or any adjourned meeting, they are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM or at any adjournment thereof should they wish to do so.

RECOMMENDATION

The Board considers that the terms of the Disposal Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board of
New Environmental Energy Holdings Limited
Tang Zhi Bin
Executive Director

1. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal activities of the Company and its subsidiaries are the trading of apparel and accessories, provision of waste treatment technologies and services which specialized in technology development, design, system integration, project investment, consultancy, operation and maintenance of waste treatment facilities, especially waste-to-energy projects.

According to an article “WTE in China” dated 1 August 2010 from the website of Waste Management World, since the beginning of the 21st century, China has increased its waste-to-energy capacity from 2 million to 14 million tons of municipal solid wastes. There were 66 waste-to-energy plants in China by 2007 and it is projected to increase to one hundred by 2012. Due to the fact that the Group has not engaged in any business of trading of apparel and accessories in these few months which was loss making in the past few years and in view of the future development of waste-to-energy industry in China, the Directors consider that the Group will continue to focus on the development of waste-to-energy business in Asia and cease to carry out the business of trading of apparel and accessories after the Disposal.

The Company has been actively looking for solutions to improve the overall financial performance of the Group, including but not limited to reviewing the existing business operations of the Group and seeking other opportunities to develop in waste-to-energy projects. Save for the Disposal, the Company had no intention, negotiation, agreement, arrangement and understanding (concluded or otherwise) about any disposal, scaling-down and/or termination of its existing business at the Latest Practicable Date. On 18 October 2011, the tender agreement entered into between Biomax Environment Holdings Limited (an indirect wholly owned subsidiary of the Company), 廣東省環境工程裝備總公司 (Guangdong Environmental Engineering & Equipment General Corporation*) and 廣州市城市管理委員會 (Guangzhou City Management Committee*) in respect of setting up a project company with a registered capital of not less than RMB97.87 million to build and operate 廣州市李坑生活垃圾綜合處理工程項目 (the Guangzhou Likeng waste treatment project*) under Build-Operate-Transfer (BOT) arrangement with a concessionary period of 25 years. On 25 October 2011, a framework agreement entered into between the Company and 山東省濟寧市人民政府 (Jining Municipal People’s Government, Shandong Province*) (“**Jining Municipal People’s Government**”) in respect of setting up a project company with Jining Municipal People’s Government to invest, build and operate a project involving the reclamation of land in Jining City, Shandong Province, the People’s Republic of China under Build-Operate-Own (BOO) arrangement.

On 6 December 2011, the agreement entered into between 株洲首創水務有限責任公司 (Zhuzhou Beijing Capital Water Treatment Company Limited*) and 揚州百瑪士環保產業發展有限公司 (Yangzhou Biomax Environmental Development Limited*) (an indirect wholly owned subsidiary of the Company) in respect of the acquisition of the entire issued share capital of 醴陵首創垃圾綜合處理有限責任公司 (Lining Beijing Capital Waste Treatment Company Limited*) (“**Lining Beijing**”) at a consideration of RMB51 million. Lining Beijing is principally engaged in the comprehensive treatment of municipal solid waste and public infrastructure investment, investment management, technology development and

* For identification purposes only

consulting. The Directors consider that the acquisition of Lining Beijing is a good opportunity for the Group to invest in waste treatment business with an aim to strengthen the Group's revenue base and to enhance Shareholders' value.

The Directors will continue to monitor closely the performance of its businesses and will review the business activities, assets and operating environment of the Group and formulate business plans and strategies for the business development of the Group from time to time.

2. STATEMENT OF INDEBTEDNESS

At the close of business on 15 November 2011, being the latest practicable date for ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had outstanding borrowings of approximately HK\$52.4 million which comprised unsecured loan of approximately HK\$52.3 million and obligations under finance leases of approximately of HK\$0.1 million.

At the close of business on 15 November 2011, being the latest practicable date for ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had the following outstanding instruments:

- (1) Zero coupon convertible bonds in the principal amount of HK\$156.0 million. The convertible bonds can be converted into shares of the Company at HK\$2.40 per Share (subject to adjustment) at any time before the maturity date or shares of a subsidiary of the Company, Smartview Investment Holdings Limited (“**Smartview**”) at HK\$271,000 per share, subject to terms and conditions of the convertible bonds;
- (2) Convertible notes with principal amount of HK\$273.5 million; and
- (3) Promissory notes with principal amount of HK\$55.5 million.

Save as aforesaid and apart from intra-group liabilities and normal trade payables in the ordinary course of business, the Group did not have any bank borrowings, bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures or other loan capital, mortgage, charges, finance leases or hire purchases commitments, guarantees or other material contingent liabilities outstanding at the close of business on 15 November 2011.

3. WORKING CAPITAL

The Directors are of the opinion that, after due and careful consideration taking into account the financial resources and banking facilities available to the Group and the net proceeds from the Disposal, the Group will have sufficient working capital to satisfy its present requirements for the next twelve months from the date of this circular.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2010, being the date to which the latest published audited consolidated accounts of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS BY DIRECTORS AND CHIEF EXECUTIVE

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had, or was deemed to have, any interests and short positions in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO to be entered into the register referred to therein; or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange:

(A) Long position in the Shares

| Name of Director | Nature of interests | Number of ordinary Shares held | Approximate percentage of issued share capital of the Company |
|----------------------|--|--------------------------------|---|
| Mr. Marcello Appella | Interest of a controlled corporation (<i>Note</i>) | 3,588,030 | 0.23% |

Note: These Shares were held by Sycomore Limited (“**Sycomore**”), which was owned as to 50% by Mr. Marcello Appella and 50% by Mrs. Maguy, Alice, Juliette, Marie Pujol ep. Appella, the spouse of Mr. Marcello Appella. As such, Mr. Marcello Appella was deemed or taken to have interest in the Shares held by Sycomore for the purposes of the SFO.

(B) Long position in share options of the Company

| Name of Director | Nature of interests | Number of underlying ordinary shares in respect of options granted | Approximate percentage of issued share capital of the Company |
|----------------------|---------------------|--|---|
| Mr. Marcello Appella | Beneficial owner | 201,532 | 0.01% |

3. DISCLOSURE OF INTERESTS BY SUBSTANTIAL SHAREHOLDERS

Saved as disclosed below, as at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, no other person (not being a Director or chief executive of the Company) had an interest or short position in the Shares and 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 who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had an option in respect of such capital:

(A) Long position in ordinary Shares/underlying Shares of the Company

| Name of Shareholder | Note | Nature of interests | Number of ordinary Shares held | Number of underlying Shares held | Total number of Shares and underlying Shares held | Approximate percentage of issued share capital of the Company (Note 5) |
|---|------|--------------------------------------|--------------------------------|----------------------------------|---|---|
| Beijing Capital (Hong Kong) Limited | 1 | Beneficial owner | 299,022,000 | 156,637,168 | 455,659,168 | 29.36% |
| Beijing Capital Co., Ltd. 北京首創股份有限公司 | 1 | Interest of a controlled corporation | 299,022,000 | 156,637,168 | 455,659,168 | 29.36% |
| Simple Success Investments Limited | 2 | Beneficial owner | 270,760,000 | — | 270,760,000 | 17.45% |
| New World Strategic Investment Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |
| New World Development Company Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |
| Chow Tai Fook Enterprises Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |

| Name of Shareholder | Note | Nature of interests | Number of ordinary Shares held | Number of underlying Shares held | Total number of Shares and underlying Shares held | Approximate percentage of issued share capital of the Company (Note 5) |
|--|------|--|--------------------------------|----------------------------------|---|---|
| Chow Tai Fook (Holdings) Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |
| Chow Tai Fook Capital Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |
| Cheng Yu Tung Family (Holdings) Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |
| Cheng Yu Tung Family (Holdings II) Limited | 2 | Interest of a controlled corporation | 270,760,000 | — | 270,760,000 | 17.45% |
| Best View Enterprises Limited | 3 | Beneficial owner and Person having security interest | 75,638,000 | 76,344,205 | 151,982,205 | 9.79% |
| Chow Tai Fook Nominee Limited | 3 | Interest of a controlled corporation | 75,638,000 | 145,670,205 | 221,308,205 | 14.26% |
| Mr. Cheng Yu Tung | 3 | Interest of a controlled corporation | 75,638,000 | 145,670,205 | 221,308,205 | 14.26% |
| Zesiger Capital Group LLC | | Investment Manager | 140,018,000 | — | 140,018,000 | 9.02% |

Notes:

- These Shares represent 299,022,000 Shares held by Beijing Capital (Hong Kong) Limited and 156,637,168 underlying Shares which may be issuable upon conversion of all the outstanding amount of the convertible notes held by Beijing Capital (Hong Kong) Limited, which was a wholly-owned subsidiary of Beijing Capital Company Limited 北京首創股份有限公司. As such, Beijing Capital Company Limited 北京首創股份有限公司 was deemed or taken to be interested in the said Shares and underlying Shares held by Beijing Capital (Hong Kong) Limited.
- These Shares represent 270,760,000 Shares held by Simple Success Investments Limited, which was a wholly-owned subsidiary of New World Strategic Investment Limited, which was in turn wholly-owned by New World Development Company Limited. Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited hold 49% and 40.2% interests in Chow Tai Fook Capital Limited, respectively. Chow Tai Fook Capital Limited in

turn owns 74.1% interest in Chow Tai Fook (Holding) Limited which holds the entire interest in Chow Tai Fook Enterprises Limited, which in turn has more than one-third of the issued shares of New World Development Company Limited.

3. These Shares represent 75,638,000 Shares held by Best View Enterprises Limited (“**Best View**”) and 76,344,205 underlying Shares in which Best View has security interest. Best View is wholly owned by Chow Tai Fook Nominee Limited, which has security interest in 69,326,000 underlying Shares and is in turn controlled by Mr. Cheng Yu Tung. As such, Chow Tai Fook Nominee Limited and Mr. Cheng Yu Tung were deemed to have interest in the said Shares and underlying Shares that Best View Enterprises Limited had interest in.
4. The approximate percentage of shareholdings is based on 1,551,881,039 Shares as at the Latest Practicable Date.

(B) Directorship in and employment with substantial Shareholders

Set out below are particulars of the Directors’ directorship in or employment with companies which have interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name of Director | Position | Name of substantial Shareholder |
|-------------------------|-----------------|--|
| Yu Chang Jian | Director | Beijing Capital (Hong Kong) Limited |
| | Director | Beijing Capital Co., Ltd. |
| Liu Xiao Guang | Director | Beijing Capital (Hong Kong) Limited |
| | Director | Beijing Capital Co., Ltd. |
| Cao Guo Xian | Director | Beijing Capital (Hong Kong) Limited |

4. DIRECTORS’ SERVICE CONTRACTS

Each of the executive Directors, Mr. Liu Xiao Guang, Mr. Cao Guo Xian and Mr. Tang Zhi Bin has not yet entered into a service contract with the Company, except that each of Mr. Yu Chang Jian and Mr. Marcello Appella has entered into a service contract with the Company for a term of three years, and will continue thereafter until terminated by either party thereto giving to the other not less than three months’ prior notice in writing.

Each of the non-executive Directors and independent non-executive Directors has entered into letter of appointment with the Company and is appointed for a period of three years.

The alternative non-executive Director has been appointed by one of the non-executive Director, Mr. Lim Jui Kian and will continue thereafter until terminated by Mr. Lim Jui Kian or upon the termination of Mr. Lim Jui Kian’s appointment with the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contracts with any member of the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

5. DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting at Latest Practicable Date which is significant in relation to the business of the Group; and
- (b) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2010 (the date to which the latest published audited accounts of the Company were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the memorandum of understanding entered into between the Company and Bloom Origin Limited on 24 December 2009, pursuant to which both parties shall endeavour to negotiate and enter into a formal sale and purchase agreement for Bloom Origin Limited to make investment in Full Prosper Holdings Limited (a wholly-owned subsidiary of the Company) (“**Full Prosper**”);
- (b) the supplemental memorandum of supersession entered into between Hembly Garment Manufacturing Limited (a wholly-owned subsidiary of the Company) and Pridefull Hill Investments Limited dated 13 January 2010, pursuant to which the exclusivity period under the memorandum of supersession on 14 December 2009 will be extended up to 30 June 2010;
- (c) the conditional subscription agreement entered into between the Company and Waste Resources G.P. Limited (“**Waste Resources**”) (as general partner for and on behalf of Waste Resources Fund L.P.) on 29 January 2010 in relation to the proposed issue and subscription of the zero coupon guaranteed convertible bonds due 2015 in the principal amount of HK\$156 million and the 9,341,000 Shares to Waste Resources;
- (d) a deed of settlement dated 23 February 2010 entered into among the Company, Rising Boom Enterprises Limited and the Bright King Investments Limited (the “**Creditor**”) relating to release of the Company’s obligations under a promissory note of the Company in the principal amount of HK\$55 million held by the

Creditor and release of the Company's obligation to issue the promissory note in the initial principal amount of HK\$144 million (subject to adjustments) to be issued by the Company to the Creditor in consideration of the Company's issue of certain convertible notes with the same principal amounts to the Creditor;

- (e) the placing agreement dated 1 April 2010 entered between Best View Enterprises Limited, the Company and The Royal Bank of Scotland N.V., Hong Kong Branch (as placing agent) in respect of the placing of the total of 76,400,000 Shares beneficially owned by Best View Enterprises Limited at an issue price of HK\$2.02 per Share;
- (f) the subscription agreement dated 1 April 2010 entered between the Company and Best View Enterprises Limited in respect of the subscription of a total of 76,400,000 shares at a subscription price of HK\$2.02 per Share for a total gross proceeds of approximately HK\$154.3 million;
- (g) a deed of guarantee dated 13 April 2010 given by various subsidiaries of the Company, namely Smartview Investment Holdings Ltd., Biomax Environmental Technology Group Ltd., Biomax Green Energy (Guangzhou) Investment Limited, Biomax Green Energy (Nanchang) Investment Limited, Biomax Green Energy (Nanjing) Investment Limited, Biomax Yanzhou Environment Park Investment Limited and J&B Environment Limited in favour of Waste Resources Fund L.P. and any holders of the convertible bonds of the Company issued on 13 April 2010;
- (h) a deed of subordination dated 13 April 2010 entered into among the Company, Full Prosper, Simple Success Investments Limited ("**Simple Success**"), the Creditor and Waste Resources (as general partner for and on behalf of Waste Resources Fund L.P.), pursuant to which Simple Success and the Creditor agreed to subordinate and defer the Company's payment of the indebtedness under certain convertible notes and promissory notes issued by members of the Group to them to all rights, claims and actions which Waste Resources has under the convertible bonds issued by the Company on 13 April 2010;
- (i) the agreement dated 8 June 2010 entered into between the Company, Full Prosper, Bloom Origin Limited and Bright King Investments Limited, in respect of the disposal of the entire issued share capital of Full Charm Holdings Limited at a consideration of HK\$450,000,000;
- (j) the framework agreement dated 9 July 2010 entered into between the J&B Environment Limited (安柏環保工程有限公司) (a wholly-owned subsidiary of the Company) ("**J&B Environment**") and 上海振環實業總公司 (Shanghai Zhenhuan Enterprise Co.) ("**Shanghai Zhenhuan**"), in respect of the increase of the Group's equity interest through capital injection of up to RMB78.90 million in an associated company, namely 上海百瑪士綠色能源有限公司 (Shanghai Biomax Green Energy Park Co. Ltd.*) ("**Shanghai Biomax**"). Upon completion of the capital injection, the equity interest held by the Group in Shanghai Biomax will be increased from 33.80% to approximately 63.00%;

- (k) the placing agreement dated 26 August 2010 entered between Best View Enterprises Limited (“**Best View**”), Simple Success Investments Limited (“**Simple Success**”), Fortune (HK) Securities Limited (“**Fortune (HK)**”) (as placing agent) and the Company in respect of the placing of up to a maximum of 148,400,000 Shares held by Best View and Simple Success at HK\$0.537 per Share for a gross proceeds of approximately HK\$79.7 million;
- (l) the subscription agreement dated 26 August 2010 entered between Best View, Simple Success and the Company in respect of the subscription of a total of 148,400,000 Shares at a subscription price of HK\$0.537 per Share for a gross proceeds of approximately HK\$79.7 million;
- (m) the placing agreement dated 1 December 2010 entered between the Company and Fortune (HK) (as placing agent) in respect of the placing of up to a maximum of 202,022,000 Shares at an issue price of HK\$0.50 per Share (the “**Dec 2010 Placing**”) for a gross proceeds of approximately HK\$101 million;
- (n) the supplement placing agreement dated 24 February 2011 entered into between the Company and Fortune (HK) to revise the issue price to HK\$0.40 per Share and extend the placing period of the Dec 2010 Placing to 30 June 2011;
- (o) the subscription agreement dated 29 March 2011 entered between the Company and Beijing Capital (Hong Kong) Limited in respect of the subscription of a total of 202,022,000 Shares at a subscription price of HK\$0.40 per Share for a gross proceeds of approximately HK\$80.8 million;
- (p) the redemption deed dated 4 August 2011 entered between the Company, Rising Boom Enterprises Limited (“**Rising Boom**”) and Bright King Investments Limited (“**Bright King**”) in respect of the redemption of Bright King promissory note and Bright King performance based promissory note in consideration of the issue of the 68,750,000 Shares and 576,000 Shares respectively by the Company to Bright King;
- (q) the redemption deed dated 4 August 2011 entered between the Company, Rising Boom and Best View in respect of the redemption of Bright Good Limited promissory note by the Company in consideration of the issue of the convertible note in the principal amount of HK\$80.5 million to Best View;
- (r) the tender agreement dated 18 October 2011 entered between Biomax Environment Holdings Limited (an indirect wholly owned subsidiary of the Company), 廣東省環境工程裝備總公司 (Guangdong Environmental Engineering & Equipment General Corporation*) and 廣州市城市管理委員會 (Guangzhou City Management Committee*) in respect of setting up a project company with a registered capital of not less than RMB97.87 million to build and operate the 廣州市李坑生活垃圾綜合處理工程項目 (the Guangzhou Likeng waste treatment project*) under Build-Operate-Transfer (BOT) arrangement with a concessionary period of 25 years;

- (s) the framework agreement dated 25 October 2011 entered between the Company and 山東省濟寧市人民政府 (Jining Municipal People's Government, Shandong Province*) (“**Jining Municipal People's Government**”) in respect of setting up a project company with Jining Municipal People's Government to invest, build and operate a project involving the reclamation of land in Jining City, Shandong Province, the People's Republic of China under Build-Operate-Own (BOO) arrangement;
- (t) the subscription agreement dated 6 December 2011 entered between the Company (the issuer) and Beijing Capital (Hong Kong) Limited (“**Beijing Capital**”) (the subscriber) in respect of the subscription of the convertible bond in the principal amount of HK\$100,000,000 at an initial conversion price of HK\$0.40 per conversion share by Beijing Capital;
- (u) the agreement dated 6 December 2011 entered into between 株洲首創水務有限責任公司 (Zhuzhou Beijing Capital Water Treatment Company Limited*) and 揚州百瑪士環保產業發展有限公司 (Yangzhou Biomax Environmental Development Limited*) (an indirect wholly owned subsidiary of the Company) in respect of the acquisition of the entire issued share capital of 醴陵首創垃圾綜合處理有限責任公司 (Lining Beijing Capital Waste Treatment Company Limited*) at a consideration of RMB51 million; and
- (v) the Disposal Agreement.

7. COMPETING INTERESTS

As at the Latest Practicable Date, the Directors confirm that none of them and their respective associates have any interests in a business apart from the Group's business which directly competes with and will have material adverse impact on the Group.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or arbitration or claim of material importance is known to the Directors to be pending or threatened by or against the Company.

9. EXPERT AND CONSENT

- (a) The following is the qualification of the expert who has been named in this circular or has given opinion or letter contained in this circular:

| Name | Qualification |
|---------------------------------|----------------------|
| Greater China Appraisal Limited | Independent Valuer |

- (b) As at the Latest Practicable Date, Greater China Appraisal Limited did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group.
- (c) Greater China Appraisal Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of the summary of its valuation report and references to its name in the form and context in which they are included.
- (d) As at the Latest Practicable Date, Greater China Appraisal Limited did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2010, being the date to which the latest published audited consolidated financial statements of the Company were made up.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business in Hong Kong is Unit 1613–1618, 16/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong.
- (c) The secretary of the Company is Ms. Wong Bing Ni. Ms. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants, and an associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, is located at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (e) In the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (except Saturdays and public holidays) at Unit 1613–1618, 16/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the Company’s memorandum and articles of association;
- (b) the material contracts referred to in the paragraph headed “6. Material Contracts” in this appendix;
- (c) the service contracts referred to in the paragraph headed “4. Directors’ service contracts” in this appendix;
- (d) the Company’s annual reports for the two years ended 31 December 2010;
- (e) the valuation report of the Target Group dated 2 December 2011;
- (f) the circular of the Company dated 15 September 2011 in relation to a connected transaction involving share subscription and issue of convertible note under specific mandate; and
- (g) this circular.



NEW ENVIRONMENTAL ENERGY HOLDINGS LIMITED

新環保能源控股有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 03989)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (“EGM”) of New Environmental Energy Holdings Limited (the “**Company**”) will be held at Unit 1613–1618, 16/F, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong on Monday, 16 January 2012 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following ordinary resolutions of the Company:

“THAT:

- (a) the conditional sale and purchase agreement dated 2 December 2011 (the “**Disposal Agreement**”) between Full Prosper Company Limited (a wholly-owned subsidiary of the Company) (the “**Vendor**”), Golden Prestige Investments Limited (the “**Purchaser**”) and Mr. Wang Cheng Jun (the “**Guarantor**”), a copy of which has been signed by the chairman of EGM and for the purpose of identification marked “A”, pursuant to which, inter alia, the Vendor agrees to sell and the Purchaser agrees to purchase the Sale Shares (as defined in the Disposal Agreement) on terms and conditions as set out in the Disposal Agreement, and the transactions contemplated thereunder and the implementation thereof be and are hereby approved and confirmed; and
- (b) any one of the directors be authorised for and on behalf of the Company, among other matters, to sign, execute, perfect, deliver or to authorise signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Disposal Agreement and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Disposal Agreement they may in their discretion consider to be desirable and in the interests of the Company and all the directors’ acts as aforesaid be hereby approved, ratified and confirmed.”

By order of the Board of
New Environmental Energy Holdings Limited
Tang Zhi Bin
Executive Director

28 December 2011

NOTICE OF EXTRAORDINARY GENERAL MEETING

Head Office and Principal Place of Business in Hong Kong:

Unit 1613–1618

16/F, Bank of America Tower

12 Harcourt Road, Central

Hong Kong

Notes:

- (a) A member entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy. A proxy need not be a member of the Company.
- (b) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the EGM or adjournment thereof.
- (c) Completion and deposit of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.
- (d) As at the date hereof, the Board consists of five executive Directors; namely, Mr. Yu Chang Jian, Mr. Liu Xiao Guang, Mr. Cao Guo Xian, Mr. Marcello Appella, and Mr. Tang Zhi Bin; one non-executive Director; namely, Mr. Lim Jui Kian; one alternate non-executive Director; namely Mr. Cai Qiao Herman (alternate Director to Mr. Lim Jui Kian) and four independent non-executive Directors; namely, Mr. Lo Ming Chi, Charles, Mr. Pao Ping Wing, Mr. Kwan Hung Sang, Francis and Mr. Cheng Kai Tai, Allen.