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NEW ENVIRONMENTAL ENERGY HOLDINGS LIMITED **新環保能源控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 03989)

INSIDE INFORMATION **POTENTIAL ACQUISITION**

This announcement is made by New Environmental Energy Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors of the Company (the “**Directors**”) is pleased to announce that, on 6 June 2013, one of the wholly-owned subsidiaries of the Company namely Shanghai Environmental Biomax Investment Ltd.*(上海環境百瑪士投資有限公司) has entered into a letter of intent for cooperation (the “**Letter of Intent**”) with an independent third party, Mr. Chen Yaowu. The Letter of Intent shall be expired on the date falling three months after the date of the Letter of Intent or on the date of entering into a formal shares transfer agreement between both parties of the Letter of Intent, whichever is the earlier.

Pursuant to the Letter of Intent, the Group proposes to acquire Jiangsu Subei Waste Vehicles and Household Appliances Dismantling Recycling Ltd.*(江蘇蘇北廢舊汽車家電拆解再生利用有限公司) (the “**Target Company**”) (the “**Proposed Acquisition**”). The Target Company was incorporated in the People’s Republic of China (the “**PRC**”) with limited liability and has a registered capital of RMB216 million. It is principally engaged in dismantling, treatment and sales of waste household appliances and vehicles in Huaian City, Jiangsu Province, the PRC. Upon entering into the Letter of Intent, the Group shall pay an amount of RMB10 million as earnest money, complete the due diligence investigation, audit and assessment on the Target Company and conduct negotiations with the counterparty based on the final assessment results. Entering into a formal shares transfer agreement is subject to mutual agreement by and between both parties of the Letter of Intent, and such earnest money will be treated as part of the consideration for acquisition of the shares of the Target Company when the shares transfer agreement is entered into. If both parties fail to reach mutual agreement, the Proposed Acquisition shall be cancelled, and such earnest money shall be fully refunded to the Group within 3 days after the expiry of the Letter of Intent.

The Directors are of the opinion that the Proposed Acquisition, if materialized, would support the Group’s growth and diversifying strategy by entering into the area of resources recycling.

The Company will comply with the Listing Rules and make further announcements in connection with the potential acquisition as and when appropriate or required under the Listing Rules.

The Proposed Acquisition may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
New Environmental Energy Holdings Limited
Yu Chang Jian
Chairman

Hong Kong, 6 June 2013

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yu Chang Jian, Mr. Cao Guo Xian, Mr. Liu Xiao Guang, Mr. Tang Zhi Bin and Mr. Xue Huixuan; 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. Pao Ping Wing, Mr. Cheng Kai Tai, Allen, Mr. Li Baochun and Ms. Chan Yee Wah, Eva.

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*