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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)

SUPPLEMENTAL PLACING AGREEMENT

The Board announces that on 24 February 2011 (after trading hours), the Company and the Placing Agent entered into the Supplemental Placing Agreement pursuant to which the Placing Agent agreed to place, on a best-effort basis, up to a maximum of 202,022,000 Placing Shares at the Revised Placing Price of HK\$0.40 per Placing Share. The Placing Period is also extended from 28 February 2011 to 30 June 2011.

Reference is made to the announcement of New Environmental Energy Holdings Limited (the “Company”) dated 2 December 2010 in relation to the proposed placing up to a maximum of 202,022,000 new shares of the Company under specific mandate (the “Announcement”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those used in the Announcement.

THE SUPPLEMENTAL PLACING AGREEMENT

Pursuant to the Placing Agreement, the Placing Agent agreed to place, on a best-effort basis, up to a maximum of 202,022,000 Placing Shares at the placing price of HK\$0.50 per Placing Share.

On 24 February 2011 (after trading hours), the Company and the Placing Agent entered into a supplemental placing agreement (the “Supplemental Placing Agreement”) pursuant to which the Placing Agent agreed to place, on a best-effort basis, up to a maximum of 202,022,000 Placing Shares at the revised placing price of HK\$0.40 per Placing Share (the “Revised Placing Price”). The Company and the Placing Agent also agreed to extend the Placing Period from 28 February 2011 to 30 June 2011 to allow more time to complete the Placing at the Revised Placing Price.

The Revised Placing Price represents (i) a discount of approximately 23.08% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on 24 February 2011, being the date of the Supplemental Placing Agreement; (ii) a discount of approximately 23.95% to the average closing price of HK\$0.526 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Supplemental Placing Agreement; and (iii) a discount of approximately 19.27% to the average closing price of HK\$0.4955 per Share as quoted on the Stock Exchange for the ten consecutive trading days immediately prior to the date of the Supplemental Placing Agreement.

The Revised Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Supplemental Placing Agreement with reference to the prevailing market price of the Shares.

Save for (i) the revision of the placing price for the Placing Shares at HK\$0.40 per Placing Share and (ii) the extension of the Placing Period from 28 February 2011 to 30 June 2011 pursuant to the Supplemental Placing Agreement, all other terms and conditions of the Placing Agreement remain unchanged. The Directors consider that the terms of the Supplemental Placing Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

USE OF PROCEEDS

Assuming the Placing Shares are fully placed, the gross proceeds and net proceeds from the Placing will be approximately HK\$80.8 million and HK\$78.8 million respectively. The Revised Placing Price, net of estimated expenses, is approximately HK\$0.39 per Placing Share. The Company intends to use the net proceeds from the Placing for (i) general working capital of the Group and/or (ii) repayment of debts of the Group.

By Order of the Board of
New Environmental Energy Holdings Limited
Chan Tak Yan
Executive Director

Hong Kong, 24 February 2011

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Ngok Yan Yu, Mr. Marcello Appella, Mr. Chan Tak Yan, Mr. Ng Cheuk Fan, Keith and Ms. Yu Sau Lai; 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.