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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)

**(I) SECOND SUPPLEMENTAL PLACING AGREEMENT
AND
(II) SUBSCRIPTION OF NEW SHARES
AND
(III) RESUMPTION OF TRADING**

SECOND SUPPLEMENTAL PLACING AGREEMENT

Reference is made to the announcements of the Company dated 2 December 2010 and 24 February 2011, respectively, in relation to the Placing of up to a maximum of 202,022,000 new Shares under the Specific Mandate.

The Company is pleased to announce that the Placing Agent has, with the introduction and procurement by Quam Securities, secured the Subscriber to subscribe for the Placing Shares in their entirety, and that a Second Supplemental Placing Agreement was entered into by the Company and the Placing Agent on 29 March 2011 (after trading hours), to confirm the same as well as to confirm that the Placing Agent has satisfied all its duties and obligations under the Placing Agreement. The Company shall enter into a Subscription Agreement with the Subscriber directly.

Pursuant to the Second Supplemental Placing Agreement, the Company also represents, warrants and undertakes to the Placing Agent that:

- (a) the Company shall settle the placing commission and all relevant costs and expenses as referred to in the Placing Agreement, in full accordance with the Placing Agreement; and
- (b) the Placing Agent has satisfied all of its responsibilities, duties and obligations whatsoever in, under and/or pursuant to the Placing Agreement.

The Second Supplemental Placing Agreement is conditional upon the completion of the Subscription Agreement. In the event that the Subscription Agreement fails to complete, the Placing Agent shall continue to procure Placee(s) to subscribe for the Placing Shares pursuant to the Specific Mandate, based on the principal terms set out in the Placing Agreement.

The terms of the Second Supplemental Placing Agreement were determined after arm's length negotiations between the Company and the Placing Agent in accordance with the development of the Placing.

Save for (i) the Company's acknowledgement that the Placing Agent has secured the Subscriber to subscribe for the Placing Shares in entirety and (ii) the Company's representation, warranty and undertaking that the Placing Agent is due to receive the placing commission and having satisfied all of its responsibilities, duties and obligation pursuant to the Placing Agreement, both of which are conditional upon the completion of the Subscription Agreement, all other terms and conditions of the Placing Agreement remain unchanged.

THE SUBSCRIPTION AGREEMENT

On 29 March 2011 (after trading hours), the Subscriber (as procured by the Placing Agent) and the Company entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for the Subscription Shares at a price of HK\$0.40 per Subscription Share.

The Subscription Shares represent approximately 19.99% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.66% of the issued share capital of the Company as enlarged by the Subscription. The aggregate nominal value of the Subscription Shares will be HK\$20,202,200.

The Subscription Price represents (i) a discount of approximately 54.5% to the closing price of HK\$0.88 per Share as quoted on the Stock Exchange on 29 March 2011, being the date of the Subscription Agreement; and (ii) a discount of approximately 42.5% to the average closing price of approximately HK\$0.696 per Share as quoted on Stock Exchange for the last 5 trading days up to and including 28 March 2011.

The maximum gross proceeds and net proceeds from the Subscription will be approximately HK\$80.8 million and HK\$78.8 million respectively. The Company intends to use the net proceeds from the Subscription for (i) general working capital of the Group and/or (ii) repayment of debts of the Group.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Subscription Shares.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve (i) the Subscription Agreement and the transactions contemplated thereunder and (ii) the Specific Mandate.

A circular containing, among other things, (i) further details of the Placing, the Subscription Agreement and the transactions contemplated thereunder; (ii) the Specific Mandate; and (iii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 30 March 2011 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 31 March 2011.

SECOND SUPPLEMENTAL PLACING AGREEMENT

Reference is made to the announcements of the Company dated 2 December 2010 and 24 February 2011, respectively, in relation to the Placing of up to a maximum of 202,022,000 new Shares under the Specific Mandate.

Pursuant to the Placing Agreement, the Placing Agent agreed to place, on a best-efforts basis, up to 202,022,000 Placing Shares at the placing price of HK\$0.40 per Placing Share. The placing period, unless terminated earlier in writing pursuant to the terms of the Placing Agreement, commences upon the execution of the Placing Agreement and terminates on 30 June 2011.

The Company is pleased to announce that the Placing Agent has, with the introduction and procurement by Quam Securities, secured the Subscriber to subscribe for the Placing Shares in their entirety, and that a Second Supplemental Placing Agreement was entered into by the Company and the Placing Agent on 29 March 2011 (after trading hours), to confirm the same as well as to confirm that the Placing Agent has satisfied all its duties and obligations under the Placing Agreement. The Company shall enter into a Subscription Agreement with the Subscriber directly. Please refer to section headed "Subscription Agreement" for further details of the Subscription.

Pursuant to the Second Supplemental Placing Agreement, the Company also represents, warrants and undertakes to the Placing Agent that:

- (a) the Company shall settle the placing commission and all relevant costs and expenses as referred to in the Placing Agreement, in full accordance with the Placing Agreement; and
- (b) the Placing Agent has satisfied all of its responsibilities, duties and obligations whatsoever in, under and/or pursuant to the Placing Agreement.

The Second Supplemental Placing Agreement is conditional upon the completion of the Subscription Agreement. In the event that the Subscription Agreement fails to complete, the Placing Agent shall continue to procure Placee(s) to subscribe for the Placing Shares pursuant to the Specific Mandate based on the principal terms set out in the Placing Agreement.

Save for (i) the Company's acknowledgement that the Placing Agent has secured the Subscriber to subscribe for the Placing Shares in entirety and (ii) the Company's representation, warranty and undertaking that the Placing Agent is due to receive the placing commission and having satisfied all of its responsibilities, duties and obligation pursuant to the Placing Agreement, both of which are conditional upon the completion of the Subscription Agreement, all other terms and conditions of the Placing Agreement remain unchanged.

The Directors consider that the terms of the Second Supplemental Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE SUBSCRIPTION AGREEMENT

On 29 March 2011 (after trading hours), the Subscriber (as procured by the Placing Agent) and the Company entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for the Subscription Shares at a price of HK\$0.40 per Subscription Share.

Date : 29 March 2011 (after trading hours)

Parties : (1) Beijing Capital (Hong Kong) Limited, as the Subscriber
(2) the Company, as the issuer

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and Connected Persons.

Number of Subscription Shares

202,022,000 Subscription Shares represent approximately 19.99% of the Company's existing issued share capital of the Company of 1,010,535,039 Shares as at the date of this announcement and approximately 16.66% of its issued share capital as enlarged by the Subscription. The aggregate nominal value of the Subscription Shares will be HK\$20,202,200.

Subscription Price

The Subscription Price of each Subscription Share is HK\$0.40, and the net Subscription Price per Subscription Share will be approximately HK\$0.39.

The Subscription Price represents (i) a discount of approximately 54.5% to the closing price of HK\$0.88 per Share as quoted on the Stock Exchange on 29 March 2011, being the date of the Subscription Agreement; and (ii) a discount of approximately 42.5% to the average closing price of approximately HK\$0.696 per Share as quoted on Stock Exchange for the last 5 trading days up to and including 28 March 2011.

The Subscription Price was agreed after arm's length negotiations between the Company and the Subscriber with reference to the terms of the Placing Agreement. The Directors consider that the Subscription Agreement is entered into on normal commercial terms and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be granted to the Directors by a resolution of the Shareholders to be passed at the EGM.

Conditions Precedent:

The Subscription is conditional upon:

- (a) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Subscription Shares and such approval not subsequently being revoked prior to the completion of the Subscription (provided that such grant is not subject to conditions to which the Subscriber may reasonably object) and the delivery of a copy of such approval to the Subscriber on the date of receipt by the Company;
- (b) the granting of the Specific Mandate by the Shareholders at the EGM in accordance with the requirements of the Listing Rules;
- (c) the Shareholders granting the approval of the Subscription Agreement and all transactions contemplated thereunder including the allotment and issue of the Subscription Shares to the Subscriber pursuant to the Specific Mandate at the EGM;
- (d) the Board having approved the execution, delivery and performance of the Subscription Agreement and all transactions contemplated hereunder;
- (e) the representations and warranties under the Subscription Agreement remaining true and accurate and not misleading in all material respects as at the date thereof and the completion of the Subscription; and

- (f) the transactions contemplated under the Subscription Agreement will not trigger mandatory general offer obligations under the Takeovers Code.

The Subscriber may at its discretion waive all the abovementioned conditions precedent except for conditions (a), (b), (c) and (d). Should the Company become aware of anything which will or may prevent any of the abovementioned conditions being fulfilled, the Company shall disclose in writing to the Subscriber.

Termination

The Subscription Agreement may be terminated if at any time prior to the Completion Date:

- (a) by mutual agreement between the parties of the Subscription Agreement;
- (b) by the Company or the Subscriber if the completion of the Subscription shall not have occurred by the Completion Date provided, however, that the right to terminate the Subscription Agreement on this ground shall not be available to the party of the Subscription Agreement if such party's action or failure to act has been a principal cause of or resulted in the failure of the completion of the Subscription to occur on or before such date and such action or failure to act constitutes a breach of the Subscription Agreement;
- (c) by the Company or the Subscriber if any legislative body, court, administrative agency or commission or other governmental authority, instrumentality, agency or commission shall have enacted, issued, promulgated, enforced or entered any law (or a change in existing law) or governmental regulation (or a change in governmental regulation) or order which has the effect of prohibiting the sale and issuance of the Subscription Shares; or
- (d) by the Subscriber if there has been a breach of any representation, warranty, covenant or agreement of the Company contained in the Subscription Agreement which is incapable of being rectified within a period specified by the Subscriber; or
- (e) by the Subscriber if any Force Majeure Event occurs prior to completion of the Subscription.

Completion of the Subscription

Subject to the fulfillment of the conditions (or waiver) set out in the Subscription Agreement, the completion of the Subscription shall take place on or before the Completion Date.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a wholly-owned subsidiary of 北京首創股份有限公司 (Beijing Capital Company Limited*), a company established in the People's Republic of China, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 600008). The Subscriber is principally engaged in the overseas capital operations, investment and financing, environmental industry value chain and international business co-operation. 北京首創股份有限公司 (Beijing Capital Company Limited*) is a

listed vehicle controlled by 北京首都創業集團有限公司 (Beijing Capital Group Company Limited*), which is a state-owned group company under the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality.

The Subscriber has informed the Company that, on 29 March 2011, the Subscriber entered into certain convertible note purchase agreements with holders of the Sale Convertible Notes (the "CN Purchase Agreements") for the purchase of the Sale Convertible Notes at an aggregate consideration of HK\$147,000,000 (the "Purchase Price"). It is expected that the completion of the CN Purchase Agreements will occur before the EGM.

The Subscriber has further informed the Company that, pursuant to the CN Purchase Agreements, the Subscriber is entitled to require holders of such Sale Convertible Notes to purchase back all the Sale Convertible Notes at an amount equivalent to the Purchase Price at the sole discretion of the Subscriber (the "Put Option") after the completion of the CN Purchase Agreements.

The Put Option shall be exercisable (a) for a period of three Business Days commencing from the date of the EGM if the Shareholders' approval on either of the Specific Mandate or the Subscription Agreement and all transactions contemplated thereunder is not obtained at the EGM; or (b) for a period of three Business Days commencing from the date which is the fifteenth day from the EGM Date or such other date as may be agreed by the parties, but in any event not later than 31 May 2011 or such other date as may be agreed by the parties to the CN Purchase Agreements (the "Due Date") if the approval from the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares has not been obtained on the Due Date.

REASONS FOR ENTERING THE SECOND SUPPLEMENTAL PLACING AGREEMENT, THE SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS

The Company acts as an investment holding company. The Group is principally engaged in trading of apparel and accessories, provision of waste treatment technologies and services which specializes in technology development, design, system integration, project investment, consultancy, operation and maintenance of waste treatment facilities, especially waste-to-energy projects.

Reference is made to the announcements of the Company dated 2 December 2010 and 24 February 2011, respectively, in relation to the Placing of up to a maximum of 202,022,000 new Shares under the Specific Mandate. In accordance with terms of the Placing Agreement, the Subscriber is procured by the Placing Agent to subscribe for new Shares. The Second Supplemental Placing Agreement was entered into between the Placing Agent and the Company in accordance with the development of the Placing. Correspondingly, the Subscription Agreement was entered into between the Subscriber and the Company separately after arm's length negotiations based on the principal terms of the Placing Agreement.

If the approval on the Specific Mandate is duly obtained at the EGM and the Subscription Agreement fails to complete, the Placing Agent shall continue to procure Placee(s) to subscribe for the Placing Shares pursuant to the Specific Mandate based on the principal terms set out in the Placing Agreement.

As such, the Company shall still be able to make use of the opportunity to raise funding notwithstanding the unsuccessful Subscription. The Directors consider that the terms of the Second Supplemental Placing Agreement and the Subscription Agreement are in the interests of the Shareholders and the Company as a whole.

The gross proceeds from the Subscription will be approximately HK\$80.8 million. The Company plans to use the maximum net proceeds of approximately HK\$78.8 million from the Subscription for (i) general working capital of the Group and/or (ii) repayment of debts of the Group.

The Directors are of the view that the Subscription will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Subscription will strengthen the Group's financial position for future development of the Group. Accordingly, the Directors consider that the Subscription is in the interests of the Company and the Shareholders as a whole.

EQUITY FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The following table summarises the equity fund raising activities of the Company in the last 12 months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
26 August 2010	Top up placing of 148,400,000 new Shares under general mandate	HK\$75.9 million	To be used as the general working capital and for repayment of loans of the Group	As to HK\$50 million used to repay loans and the remaining kept at bank
1 April 2010	Top up placing of 76,400,000 new Shares under general mandate	HK\$147.8 million	To be used for the general working capital of the Group	Used as equity injection in subsidiaries in the PRC

Save as disclosed above, there has not been any other equity fund raising activities in the last 12 months immediately before the date of this announcement.

CHANGES TO THE EXISTING ISSUED SHARE CAPITAL OF THE COMPANY AS A RESULT OF THE SUBSCRIPTION

The table below sets out the existing issued share capital of the Company (i) as at the date of this announcement; (ii) as it would be immediately after the completion of the Subscription (iii) as it would be immediately after the completion of the Subscription and conversion of all Sale Convertible Notes; and (iv) as it would be immediately after the completion of the Subscription and conversion of all Sale Convertible Notes and conversion of all outstanding Convertible Notes and Convertible Bonds.

Shareholders <i>Name</i>	Shareholding in the Company as at the date of this Announcement		Shareholding in the Company upon Completion of Subscription (Note A)		Shareholding in the Company upon Completion of Subscription and conversion of all Sale Convertible Notes held by the Subscriber (Note B)		Shareholding in the Company upon Completion of Subscription and conversion of all outstanding Convertible Notes and Convertible Bonds (Note C)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Best View Enterprises Limited	76,400,000	7.56%	76,400,000	6.30%	76,400,000	5.61%	76,400,000	4.69%
Simple Success Investments Limited	72,000,000	7.12%	72,000,000	5.94%	72,000,000	5.28%	262,338,983	16.11%
Charm Hero Investments Limited, (Note 1)								
Ngok Yan Yu and his associates	76,344,205	7.55%	76,344,205	6.30%	76,344,205	5.60%	76,344,205	4.69%
Sycomore Limited, (Note 2)								
Mr. Marcello Appella and his associates	3,588,030	0.36%	3,588,030	0.30%	3,588,030	0.26%	3,588,030	0.22%
Holder of Convertible Bonds	9,341,000	0.92%	9,341,000	0.77%	9,341,000	0.69%	71,741,000	4.40%
the Subscriber	—	—	202,022,000	16.66%	352,022,000	25.84%	352,022,000	21.61%
Existing public Shareholders	<u>772,861,804</u>	<u>76.48%</u>	<u>772,861,804</u>	<u>63.74%</u>	<u>772,861,804</u>	<u>56.72%</u>	<u>786,421,126</u>	<u>48.28%</u>
Total	<u>1,010,535,039</u>	<u>100.00%</u>	<u>1,212,557,039</u>	<u>100%</u>	<u>1,362,557,039</u>	<u>100.00%</u>	<u>1,628,855,344</u>	<u>100.00%</u>

Note:

- A: (i) Assuming no conversion of Convertible Notes and Convertible Bonds and (ii) no exercise of Share Option.
- B: (i) Assuming no adjustment of the conversion price of the Sale Convertible Notes; (ii) no exercise of Share Option; and (iii) the CN Purchase Agreements are duly completed.
- C: (i) Assuming no adjustment of the conversion price of the Convertible Notes and Convertible Bonds; (ii) no exercise of Share Option; and (iii) the CN Purchase Agreements are duly completed.
- (1) These Shares include 76,344,205 Shares held by Charm Hero Investments Limited, a wholly-owned subsidiary of Mensun Limited (which was controlled by Mr. Ngok Yan Yu, the chairman and an executive Director).
- (2) These Shares are held by Sycomore Limited, which is owned as to 50% by Mr. Marcello Appella, an executive Director, and 50% by Mrs. Maguy, Alice, Juliette, Marie Pujol ep. Appella, the spouse of Mr. Marcello Appella.

As at the date of this announcement, the Company also has Share Options outstanding which entitle their holders to subscribe for up to a maximum of 15,068,805 new Shares, which would represent approximately 1.47% of the issued share capital of the Company as enlarged by the issue of new Shares on exercise of the Share Options as at the date of this announcement and approximately 0.92% of the share capital of the Company assuming the completion of the Subscription and as enlarged by the issue of new Shares on exercise of the Share Options and full conversion of the outstanding Convertible Notes and Convertible Bonds and assuming no adjustment to the respective conversion prices. The Share Options have not been taken into account for the purposes of preparing the tables above.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Subscription Shares.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, pass the relevant resolution(s) to approve (i) the Subscription Agreement and the transactions contemplated thereunder and (ii) the Specific Mandate.

A circular containing, among other things, (i) further details of the Placing, the Subscription Agreement and the transactions contemplated thereunder (ii) the Specific Mandate; and (iii) a notice convening the EGM will be despatched to the Shareholders as soon as practicable in accordance with the requirements of the Listing Rules.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 30 March 2011 at the request of the Company pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 31 March 2011.

DEFINITIONS

In this announcement, the following expressions have the meaning as set out below unless the context requires otherwise:

“associates”	having the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Company”	New Environmental Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange

“Completion Date”	the third Business Day after the date on which all the conditions provided in the Subscription Agreement are satisfied (or waived), which is currently expected to be on or before 31 May 2011 or such other date as may be agreed by the parties of the Subscription Agreement
“Connected Person(s)”	having the meaning ascribed thereto in the Listing Rules
“Convertible Bonds”	the zero coupon guaranteed convertible bonds due 2015, which are convertible into Shares or shares of Smartview Investment Holdings Ltd. (a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company) as described in the Company’s announcements dated 29 January 2010 and 13 April 2010, respectively
“Convertible Notes”	the convertible notes of the Company issued to Simple Success Investments Limited and Bright Good Limited on 11 December 2009 in satisfaction of part of the consideration for the Group’s acquisition of the entire issued share capital of Smartview Investment Holdings Ltd., as described in the Company’s announcement dated 23 September 2009 and circular dated 23 November 2009
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, to approve, <i>inter alia</i> , the Subscription and the Specific Mandate to issue and allot the Subscription Shares
“Force Majeure Event”	acts of god, strike, act of war, act of terrorism, epidemic, international political crisis, civil disorder, any significant adverse change in local, national or international monetary, economic or financial conditions (including general suspension or limitation of trading on, or by, the Stock Exchange (save for any suspension not exceeding 10 consecutive Business Days) and change in currency exchange rates or controls and disruption of banking activities) or other adverse events not within the control of the parties of the Subscription Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	having the meaning ascribed thereto in the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Placee(s)”	any person or entity whom the Placing Agent and/or any of its agent(s) have procured to place the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of up to a maximum of 202,022,000 Placing Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Fortune (HK) Securities Limited, a licensed corporation to carry on Type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 1 December 2010 (as amended by the Supplemental Placing Agreement dated 24 February 2011) entered into between the Company and the Placing Agent in relation to the Placing
“Placing Shares”	a maximum of 202,022,000 Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“Quam Securities”	Quam Securities Company Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in future securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Sale Convertible Notes”	the portion of Convertible Notes in the total outstanding principal amount of HK\$417,600,000 representing the amount of HK\$177,000,000 and convertible into approximately 150,000,000 Shares upon the exercise of the convertible rights attaching thereto
“Second Supplemental Placing Agreement”	the second supplemental placing agreement dated 29 March 2011 entered into between the Company and the Placing Agent in relation to the Placing
“Subscriber”	Beijing Capital (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription of 202,022,000 Subscription Shares by the Subscriber at the Subscription Price pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 29 March 2011 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	HK\$0.40 per Subscription Share

“Subscription Shares”	202,022,000 Shares to be subscribed for by the Subscriber pursuant to the Subscription Agreement
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholders”	holders of Shares
“Share Options”	the option(s) to subscribe for Share(s) granted under any share option scheme of the Company
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the EGM to allot and issue 202,022,000 new Shares at HK\$0.40 per Share pursuant to the Placing Agreement
“Supplemental Placing Agreement”	the supplemental placing agreement dated 24 February 2011 entered into between the Company and the Placing Agent in relation to the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	Per cent

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

Hong Kong, 30 March 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.

* *For identification purpose only*