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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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

The board of directors (the “Board”) of New Environmental Energy Holdings Limited (the “Company”) is pleased to announce that on 18 October 2011, Biomax Environment Holdings Limited, an indirect wholly owned subsidiary of the Company, acted together with 廣東省環境工程裝備總公司 (Guangdong Environmental Engineering & Equipment General Corporation*) entered into a tender agreement (the “Tender Agreement”) with 廣州市城市管理委員會 (Guangzhou City Management Committee*), a governmental authority.

Pursuant to the Tender Agreement, Biomax Environment Holdings Limited together with Guangdong Environmental Engineering & Equipment General Corporation should set up a project company (the “Project Company”) with a registered capital of not less than RMB97.87 million within 30 business days after signing the Tender Agreement, which shall be responsible for building and operating 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.

To the best of the directors’ knowledge, information and belief having made all reasonable enquiry, Guangdong Environmental Engineering & Equipment General Corporation and Guangzhou City Management Committee are third parties independent of and not connected with the Company and its subsidiaries, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

The establishment of the Project Company shall be subject to the terms and conditions of a formal agreement including, inter alia, the total investment amount and shareholding structure to be agreed upon by the parties. The establishment of the Project Company, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement will be made by the Company when the formal agreement is signed.

Shareholders and/or investors should note that the proposed establishment of the Project Company may or may not proceed. Accordingly, shareholders of the Company are therefore advised to exercise caution when trading in the Company's shares.

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

Hong Kong, 21 October 2011

* for identification purpose only

As at the date of this announcement, the Board comprises 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.