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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

New Environmental Energy Holdings Limited (the “Company”) had held its annual general meeting (“AGM”) on 1 June 2012. Upon conclusion of the AGM, the directors and senior management of the Company met some members from the press, where Mr. Cao Guo Xian, the Company’s executive director and chief executive officer, made the following statements:

“In this year, we will stay focus on our projects in Beijing and Nanchang. The original planned daily waste treatment capacity of our Beijing project is approximately 650 tonnes. We are hopeful that this will be increased to approximately 900 tonnes in future. Our Nanchang project has a daily waste treatment capacity of approximately 1,200 tonnes. It has been shortlisted as a key implementing project in Nanchang.

In view of the intensifying competition in waste treatment sector, and in anticipation of more new projects to kick start in the 2-tier cities in Mainland China, the Company will actively participate in tenders for such projects. We intended to identify around 3 to 5 projects every year, each with a daily waste treatment capacity of approximately 1,000 tonnes, and the estimated amount of investment for each project will be approximately RMB500 million.

Currently, there are about 4 to 5 waste treatment enterprises in Mainland China who have a daily waste treatment capacity of more than 10,000 tonnes. With a daily waste treatment capacity of approximately 4,600 tonnes, the Company is about the top 10 waste treatment enterprises in Mainland. Provided that we can keep up the pace of expansion in future by adding 2 to 3 new projects each year, it is hopeful that we can squeeze into the top 5 list in 3-year time, and ultimately become one of the big 3 players in the arena, the Company have a considerable development in future.

Capex for this year would be around RMB250 million to RMB300 million, which will be chiefly utilized for development of the Beijing project and Nanchang project. As for financing, the Company will liaise with its bankers and will make borrowing its financial resort only when it deems necessary to.

The time of loss-making is behind us now. I am confident that when the operations in the Beijing and Nanchang projects duly commence, our business will turnaround.”

The board of directors (the “Board”) of the Company wishes to state that, the above statements made by Mr. Cao are forecasts only and such forecasts may or may not materialize.

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

Hong Kong, 1 June 2012

As at the date of this announcement, the Board comprises five executive director; namely, Mr. Yu Chang Jian, Mr. Cao Guo Xian, Mr. Liu Xiao Guang, 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 three independent non-executive directors; namely, Mr. Lo Ming Chi, Charles, Mr. Pao Ping Wing and Mr. Cheng Kai Tai, Allen.