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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)

COMPLETION OF THE PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Quam Securities Company Limited

The Board is pleased to announce that all conditions set out in the Placing and Subscription Agreement have been fulfilled and the Placing and the Subscription were completed on 22 October 2012 and 31 October 2012, respectively. Pursuant to the terms and conditions in the Placing and Subscription Agreement, an aggregate of 183,132,000 Placing Shares have been successfully placed to four independent Placees, namely, Favor Action Limited, Meng Lu, Zhang De Peng and Yan Dong Shi, all of which (including the ultimate beneficial owner of Favor Action Limited, Mr. Yang Zhi You) are third parties independent of the Company and independent of any connected persons of the Company (as defined in the Listing Rules), at the Placing Price of HK\$0.45 per Placing Share and an aggregate of 183,132,000 Subscription Shares, representing approximately 9.83% of the issued share capital of the Company as at the date of this announcement, have been issued and allotted to the Subscriber at a Subscription price of HK\$0.45 per Subscription Share.

Reference is made to the announcement of the Company dated 19 October 2012 (the “**Announcement**”) in relation to, among other things, the Placing and Subscription Agreement. Capitalized terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

COMPLETION OF THE PLACING AND THE SUBSCRIPTION

The Board is pleased to announce that all conditions set out in the Placing and Subscription Agreement have been fulfilled and the Placing and the Subscription were completed on 22 October 2012 and 31 October 2012, respectively. Pursuant to the Placing and Subscription Agreement, an aggregate of 183,132,000 Placing Shares have been successfully placed to four independent Placees, namely, Favor Action Limited, Meng Lu, Zhang De Peng and Yan Dong Shi, all of which (including the ultimate beneficial owner of Favor Action Limited, Mr. Yang Zhi You) are third parties independent of the Company and independent of any connected persons of the Company (as defined in the Listing Rules), at the Placing Price of HK\$0.45 per Placing Share and an aggregate of 183,132,000 Subscription Shares, representing approximately 9.83% of the issued share capital of the Company as at the date of this announcement, have been issued and allotted to the Subscriber at a Subscription price of HK\$0.45 per Subscription Share. The net proceeds from the Subscription, after deducting related Placing fees and all related expenses which being borne by the Company, are approximately HK\$80.6 million.

SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company (i) immediately before completion of the Placing and the Subscription; (ii) after completion of the Placing but before completion of the Subscription; and (iii) immediately after completion of the Placing and the Subscription:

	Immediately before completion of the Placing and the Subscription		After completion of the Placing but before completion of the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Beijing Capital (Hong Kong) Limited (<i>Note 1</i>)	299,022,000	17.81	299,022,000	17.81	299,022,000	16.06
BC Water Investments Co., Ltd (<i>Note 1</i>)	9,284,000	0.55	9,284,000	0.55	9,284,000	0.50
Simple Success Investments Limited (<i>Note 2</i>)	270,760,000	16.13	87,628,000	5.22	270,760,000	14.54
Best View Enterprises Limited (<i>Note 3</i>)	221,308,205	13.18	221,308,205	13.18	221,308,205	11.88
Sycamore Limited, Appella Marcello and his associates (<i>Note 4</i>)	3,588,030	0.21	3,588,030	0.21	3,588,030	0.19
Year Good Group Limited	127,244,000	7.58	127,244,000	7.58	127,244,000	6.83
Favor Action Limited	-	-	110,000,000	6.55	110,000,000	5.91
Meng Lu	-	-	22,000,000	1.31	22,000,000	1.18
Zhang De Peng	-	-	25,566,000	1.52	25,566,000	1.37
Yan Dong Shi	-	-	25,566,000	1.52	25,566,000	1.37
Other public Shareholders	747,918,804	44.54	747,918,804	44.54	747,918,804	40.16
Total	1,679,125,039	100	1,679,125,039	100	1,862,257,039	100

Notes:

- (1) These Shares are held by Beijing Capital (Hong Kong) Limited and BC Water Investments Co., Ltd. respectively, which are wholly-owned subsidiaries of Beijing Capital Co., Ltd..
- (2) These Shares are held by Simple Success Investments Limited, which is a wholly-owned subsidiary of New World Strategic Investment Limited, which is in turn wholly-owned by New World Development Company Limited. Cheng Yu Tung Family (Holdings) Limited and Cheng Yu Tung Family (Holdings II) Limited hold 49% and 40.2% interests in Chow Tai Fook Capital Limited, respectively. Chow Tai Fook Capital Limited in turn owns 74.1% interest in Chow Tai Fook (Holding) Limited which holds the entire interest in Chow Tai Fook Enterprises Limited, which in turn has more than one-third of the issued shares of New World Development Company Limited.
- (3) These Shares are held by Best View Enterprises Limited, which is wholly owned by Chow Tai Fook Nominee Limited, which is in turn controlled by Dato' Dr. Cheng Yu Tung.
- (4) These Shares are held by Sycomore Limited, which is owned as to 50% by Mr. Marcello Appella, an executive Director of the Company, and 50% by Mrs. Maguy, Alice, Juliette, Marie Pujol ep. Appella, the spouse of Mr. Marcello Appella.

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

Hong Kong, 31 October 2012

As at the date of this announcement, the Board comprises six executive directors; namely, Mr. Yu Chang Jian, Mr. Cao Guo Xian, Mr. Liu Xiao Guang, Mr. Marcello Appella, 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.