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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)

CLARIFICATION ANNOUNCEMENT

Reference is made to the announcement of New Environmental Energy Holdings Limited (the “**Company**”) dated 19 October 2012 (the “**Announcement**”) in relation to placing of existing shares and subscription of new shares under the general mandate. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to clarify that the fund raising activities by way of placing of existing shares and subscription of new shares and issue of convertible bond during the past twelve months were conducted in accordance with the forecasted business needs of the Company and the approval of the Board of the Company. However, the projects of the Company were not progressed as originally planned. The funds raised were deposited to the Company’s bank accounts and will be released for financing projects or as general working capital of the Company in due course. As a result, in the paragraph headed “Fund raising activities during the past twelve months” on page 6 of the Announcement, the actual use of proceeds in respect of “Placing of existing shares and subscription of new shares under the general mandate” and “Issue of convertible bond” should be illustrated as “Approximately HK\$1.1 million has been used to repay the interest of a borrowing from Simple Success Investments Limited and the remaining HK\$47.67 million has not been use” and “The fund raised has not been used and the balance has yet to be completed” respectively.

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

Hong Kong, 10 December 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.