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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: 3989)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF THREE RIGHTS SHARES FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE; REDEMPTION OF CONVERTIBLE NOTE I AND ADJUSTMENT OF CONVERSION PRICE UNDER CONVERTIBLE BOND II AND CONVERTIBLE NOTE II AND ADJUSTMENTS TO EXERCISE PRICE AND NUMBER OF SHARE OPTIONS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Friday, 28 June 2013, being the latest time for acceptance of and payment for Rights Shares and application and payment for excess Rights Shares, a total of 202 valid acceptances and applications were received for a total of 3,654,455,339 Rights Shares, which comprise (i) 91 valid acceptances for the provisional allotment under the PALs in respect of a total of 1,279,826,040 Rights Shares, representing approximately 45.82% of the total number of 2,793,385,557 Rights Shares available under the Rights Issue; and (ii) 111 valid applications for excess Rights Shares under the EAFs in respect of a total of 2,374,629,299 Rights Shares, representing approximately 85.01% of the total number of 2,793,385,557 Rights Shares available under the Rights Issue.

The aggregate of 3,654,455,339 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 130.83% of the total number of 2,793,385,557 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was oversubscribed by 861,069,782 Rights Shares, representing approximately 30.83% of the total number of 2,793,385,557 Rights Shares available under the Rights Issue.

Underwriting Agreement

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Wednesday, 3 July 2013, the Underwriting Agreement became unconditional after 4:00 p.m. on the same day. Given the Rights Issue was oversubscribed, the underwriting obligations of the Underwriter under the Underwriting Agreement had been fully discharged.

Excess Rights Shares

The Board has resolved to allot and issue a total of 1,513,559,517 Rights Shares available for excess application on a fair and equitable basis as set out in this announcement.

Despatch of Share certificates for the Rights Shares

It is expected that Share certificates for all fully-paid Rights Shares and the refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares will be despatched to the allottees of the Rights Shares, and unsuccessful applicants who have applied for, and paid for, excess Rights Shares, by ordinary post at their risks to their registered addresses on Monday, 8 July 2013.

Commencement of dealings in the fully-paid Rights Shares

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 9 July 2013.

REDEMPTION OF CONVERTIBLE NOTE I

The Underwriter has taken up and accepted in full its rights entitlement of 448,533,000 Rights Shares under the Rights Issue. It has also been allotted 1,495,501,218 excess Right Shares. The total Subscription Price of the 1,944,034,218 Rights Shares allotted to the Underwriter is approximately HK\$388.8 million of which HK\$177.0 million had been paid by off-setting the same amount out of the outstanding principal amount of the Convertible Note I in accordance with the terms of the Underwriting Agreement. After the aforesaid Set-off Arrangement, the Convertible Note I is fully set-off and redeemed.

ADJUSTMENTS TO THE SHARE OPTIONS, CONVERTIBLE BOND II AND CONVERTIBLE NOTE II

As a result of the Rights Issue, adjustments were made to (i) the exercise price and number of Shares to be allotted and issued under the outstanding Share Options; and (ii) the conversion price of the Convertible Bond II and Convertible Note II, details of which are set out in this announcement.

Reference is made to the prospectus of the Company dated 14 June 2013 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

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Issue. The aggregate of 3,654,455,339 Rights Shares validly accepted and applied for under the PALs and EAFs represent approximately 130.83% of the total number of 2,793,385,557 Rights Shares available under the Rights Issue. Accordingly, the Rights Issue was oversubscribed by 861,069,782 Rights Shares, representing approximately 30.83% of the total number of 2,793,385,557 Rights Shares being offered under the Rights Issue.

Underwriting Agreement

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Excess Rights Shares

The Board has resolved to allot and issue a total of 1,513,559,517 Rights Shares available for excess application.

Allotment results in respect of the excess Rights Shares are set out as follows:

Range of excess Rights Shares applied for	Number of valid applications	Total number of excess Rights Shares applied for	Total number of Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in this range	Allotment basis
1 to 3,999	42	82,450	82,450	100%	In full
4,000 to 1,999,999,999	68	28,079,849	17,975,849	64.02%	Odd lot in full plus a flat rate of approximately 63.74% (rounded up to the nearest board lot)
Above 1,999,999,999	1	2,346,467,000	1,495,501,218	63.73%	Approximately 63.73%
Total	111	2,374,629,299	1,513,559,517		

The above allocation is generally based on the following principles set out in the Prospectus:

- (1) subject to the availability of excess Rights Shares, preference will be given to applications for less than a board-lot of Rights Shares where they appear to the Directors that such applications are made to top up odd-lot holdings to board-lot holdings (unless the total number of excess Rights Shares is not sufficient to top-up all odd-lots into whole board-lots) and that such applications are not made with the intention to abuse this mechanism; and
- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess Rights Shares on pro-rata basis by reference to the number of excess Rights Shares they have applied for, with flexibility to round up to whole board-lots at the

discretion of the Directors. No reference will be made to the Rights Shares comprised in applications by PAL or the existing number of Shares held by the Qualifying Shareholders.

The Directors consider that the allocation of the excess Rights Shares is on a fair and equitable basis.

Despatch of the Share certificates for the Rights Shares

It is expected that Share certificates for all fully-paid Rights Shares and the refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares will be despatched to the allottees of the Rights Shares, and unsuccessful applicants who have applied for, and paid for, excess Rights Shares, by ordinary post at their risks to their registered addresses on Monday, 8 July 2013.

Commencement of dealings in the fully-paid Rights Shares

Dealings in the Rights Shares, in their fully-paid form, on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 9 July 2013.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structures of the Company immediately before and immediately after the completion of the Rights Issue are as follows:

Shareholder	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Underwriter (<i>Note 1</i>)	299,022,000	16.06	2,243,056,218	48.18
BC Water Investments Co., Ltd (<i>Note 1</i>)	<u>9,284,000</u>	<u>0.50</u>	<u>23,210,000</u>	<u>0.50</u>
Sub-total of the Underwriter and parties acting in concert with it	308,306,000	16.56	2,266,266,218	48.68
Sycomore Limited, Marcello Appella and his associates (<i>Note 2</i>)	3,588,030	0.19	3,588,030	0.08
Simple Success Investments Limited (<i>Note 3</i>)	270,760,000	14.54	270,760,000	5.82
Best View Enterprises Limited (<i>Note 4</i>)	221,308,205	11.88	221,308,205	4.75
<i>Public Shareholders:</i> Other public Shareholders	<u>1,058,294,804</u>	<u>56.83</u>	<u>1,893,720,143</u>	<u>40.67</u>
Sub-total of public Shareholders	<u>1,058,294,804</u>	<u>56.83</u>	<u>1,893,720,143</u>	<u>40.67</u>
Total	<u><u>1,862,257,039</u></u>	<u><u>100.00</u></u>	<u><u>4,655,642,596</u></u>	<u><u>100.00</u></u>

Notes:

1. These Shares are held by the Underwriter and BC Water Investments Co., Ltd. respectively, which are wholly-owned subsidiaries of Beijing Capital.
2. Sycomore Limited is owned as to 50% by Mr. Marcello Appella, an ex-executive Director who had resigned with effect from 6 June 2013, and 50% by Mrs. Maguy, Alice, Juliette, Marie Pujol ep. Appella, the spouse of Mr. Marcello Appella.
3. 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. Simple Success Investments Limited is not an associate of Mr. Cheng Yu Tung.
4. 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 Mr. Cheng Yu Tung.
5. Figures shown above as totals may not be an arithmetic aggregation of the figures preceding them due to rounding.

REDEMPTION OF CONVERTIBLE NOTE I

The Underwriter has taken up and accepted in full its rights entitlement of 448,533,000 Rights Shares under the Rights Issue. It has also been allotted 1,495,501,218 excess Right Shares. The total Subscription Price of the 1,944,034,218 Rights Shares allotted to the Underwriter is approximately HK\$388.8 million of which HK\$177.0 million had been paid by off-setting the same amount out of the outstanding principal amount of the Convertible Note I in accordance with the terms of the Underwriting Agreement. After the aforesaid Set-off Arrangement, the Convertible Note I is fully set-off and redeemed.

ADJUSTMENTS TO THE SHARE OPTIONS, CONVERTIBLE BOND II AND CONVERTIBLE NOTE II

As a result of the Rights Issue, adjustments were made to (i) the exercise price and number of Shares to be allotted and issued under the outstanding Share Options; and (ii) the conversion price of the Convertible Bond II and Convertible Note II.

Adjustments to the Share Options

Pursuant to the Company's share option scheme, the requirements of Chapter 17 of the Listing Rules and the supplementary guidance issued by the Stock Exchange on 5 September 2005, the exercise price and number of Shares to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options would be adjusted as follows:

Share Options	Date of grant of the Share Options	Exercise period	Exercise price per Share before adjustment (HK\$)	Adjusted exercise price per Share (HK\$)	Number of Share Options before adjustment	Adjusted number of Shares Options
Mr. Marcello Appella (<i>Note</i>)	18 August 2008	18/08/2008– 17/08/2018	1.5581	1.3833	201,532	227,000
Employees in aggregate	6 September 2010	06/09/2010– 05/09/2015	0.501	0.4448	3,900,000	4,392,843

Note: Mr. Marcello Appella resigned from his position as a Director on 6 June 2013. He may only exercise any outstanding Share Options held by him within three months following the date of his cessation as a Director (being on or before 5 September 2013), but not thereafter. Any outstanding Share Options held by Mr. Marcello Appella which are not exercised by 5 September 2013 will be cancelled thereafter.

Adjustments to the Convertible Bond II and Convertible Note II

Pursuant to the terms and conditions of the Convertible Bond II and Convertible Note II, the conversion price of the Convertible Bond II and Convertible Note II would be adjusted from HK\$0.4 per Share and HK\$1.13 per Share to HK\$0.29 per Share and HK\$0.85 per Share, respectively, as a result of the Rights Issue. Based on the outstanding Convertible Bond II and Convertible Note II in the aggregate principal amount of HK\$100 million and HK\$16 million, respectively, as at the date of this announcement, the number of Shares to be allotted and issued to the respective holders of the outstanding Convertible Bond II and Convertible Note II upon exercise of the conversion rights attaching thereto would be adjusted from 250 million Shares and approximately 14 million Shares to approximately 345 million Shares and approximately 19 million Shares, respectively, as a result of the adjustments.

The Company's auditor, Deloitte Touche Tohmatsu, has reviewed the basis of the above adjustments and certified that the above adjustments are in accordance with the respective terms and conditions of the Share Options, the Convertible Bond II and the Convertible Note II respectively, and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules. The adjustments to the Share Options, Convertible Bond II and Convertible Note II will be effective from 3 July 2013, 14 June 2013 and 8 July 2013 respectively. Separate notification regarding the adjustments will be sent to each of the holders of the Share Options, Convertible Bond II and Convertible Note II.

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

Hong Kong, 5 July 2013

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Yu Chang Jian, Mr. Cao Guo Xian, Mr. Liu Xiao Guang 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.