

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

Reference is made to the announcements of New Environmental Energy Holdings Limited (the “**Company**”) dated 22 August 2012 and 2 December 2013 (the “**Announcements**”) in relation to a successful tender for the waste treatment project located in Xingtai City, Hebei Province, the PRC (the “**Project**”) and the unilateral cancellation of the Project, respectively. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

In order to inform the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company of further information of the Project, the board of directors (the “**Board**”) of the Company wishes to provide further information of the Project as follows:

- In March 2013, the People’s Government of Xingtai City held an executive meeting to discuss and approve the document in respect of the concession of the Project. However, agreement was not duly signed, the Project Company was not established eventually. Therefore, the Company did not inject any amount as registered capital.
- Since the People’s Government of Xingtai City required a tight construction schedule at that time, the Company conducted some preliminary preparations for the tendering and construction of the Project, the involved payment mainly included labor costs, office and administration expenses, technical consultancy fees and prepayments for procuring some equipment, which were approximately over RMB10 million based on the preliminary calculations.
- The cancellation of the Project was entirely unilateral breach of the People’s Government of Xingtai City. The management of the Company will strengthen the communication and coordination with the People’s Government of Xingtai City and the Urban Management Administrative Law Enforcement Bureau of Xingtai City, and will complain to the relevant regulatory authorities, if necessary, to urge the People’s Government of Xingtai City to reserve the concession of municipal waste treatment of Xingtai City for the Company, and specifically, the Project can be implemented by the improvement and expansion in the original site or the construction in a different site. If the Project can not

be implemented eventually, the management of the Company will require the People's Government of Xingtai City to compensate the losses of the Company according to the relevant laws, so as to protect the interests of the Company and its Shareholders.

- Regarding the future of the Project, the management of the Company can not make definitive judgment and forecast. In the event that the Company will subsequently receive the enquiries about the Project from the Shareholders and potential investors, the Company will advise them to directly make enquiries to the People's Government of Xingtai City and the Urban Management Administrative Law Enforcement Bureau of Xingtai City.

As disclosed in the Prospectus of the Company dated 14 June 2013, the Company has earmarked approximately HK\$131 million to finance the capital requirements of the investment in the Project. Based on the current circumstances, the capital investment in the Project may not be needed in the short term. Accordingly, the Company intends to utilise the earmarked amount of approximately HK\$131 million, which may be firstly used to finance the investment in the solid waste treatment project located in Yangzhou City, Jiangsu Province, the details of which were disclosed in the announcements of the Company dated 6 November 2013 and 17 November 2013, respectively.

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

Hong Kong, 3 December 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, 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.