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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: 03989)

VOLUNTARY ANNOUNCEMENT
ACQUISITION SHARES OF THE TARGET COMPANY

This announcement is made by the Company voluntarily.

On 7 May 2014, the Purchaser entered into an equity transfer agreement with the Vendor pursuant to which the Purchaser has agreed to acquire and the Vendor has agreed to sell 95% equity interests of the Target Company for a consideration of RMB27.74 million (equivalent to approximately HK\$34.675 million). The acquisition consideration shall be satisfied in cash.

The applicable percentage ratio in respect of the Acquisition does not exceed 5% under Rule 14.07 of the Listing Rules. The Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

This announcement is made by the Company voluntarily.

EQUITY TRANSFER AGREEMENT

The major terms of the Equity Transfer Agreement are set out as follows:

DATE

7 May 2014

PARTIES

- (i) 北京首拓環能投資有限公司 (Beijing Capital Solid Environmental Energy Investment Limited*), as the Purchaser; and
- (ii) 安徽鑫港爐料股份有限公司 (Anhui Xin'gang Charging Co., Ltd.*), as the Vendor.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and their ultimate beneficial owner(s) are third parties independent of the Company and its associates (as defined in the Listing Rules).

ASSETS TO BE ACQUIRED

The Purchaser has agreed to acquire and the Vendor has agreed to sell 95% equity interests of the Target Company.

ACQUISITION CONSIDERATION

The total consideration for the Acquisition is RMB27.74 million (equivalent to approximately HK\$34.675 million), which was determined after arm's length negotiations between the parties to the Equity Transfer Agreement. Upon completion of the transaction, the Target Company will become a non-wholly owned subsidiary of the Purchaser.

The consideration shall be satisfied in cash in three installments upon signing of the Equity Transfer Agreement, and will be financed by the internal resources of the Purchaser.

COMPLETION

After entering into the Equity Transfer Agreement, the Purchaser and the Vendor commence to jointly handle the registration of change in shareholders. The equity transfer will be completed on the date of change in shareholders.

INFORMATION OF THE TARGET COMPANY

Pursuant to the notice dated December 2012 in relation to the third batch of qualified electric and electronic product waste treatment companies jointly issued by the National Development and Reform Commission of the PRC, the Ministry of Industry and Information Technology of the PRC, the Ministry of Finance of the PRC and the Ministry of Environmental Protection of the PRC, the Target Company was granted the qualification to recycle and disassemble waste electrical and electronic equipment in the PRC. It is also among the third batch of companies qualified to enjoy subsidies provided by the PRC government for the disposal of waste electric and electronic products.

Pursuant to 廢棄電器電子產品處理基金徵收使用管理辦法 (the Administrative Measures on Collection and Use of the Fund of Disposing Waste Electrical and Electronic Products*), the Target Company was entitled to government subsidies for the treatment of certain waste electric and electronic products, namely television, refrigerator, washing machine, air-conditioner and computer. The said Administrative Measures did not require that the Target Company must handle certain units of each of the aforesaid subsidised items. The Target Company intends to take the disassembling of television as its main business.

The approved capacity of household appliances treatment of the Target Company is 600,000 units each year. The Vendor has undertaken to increase the capacity of household appliances treatment of the Target Company to 1,200,000 units each year before 30 September 2014, and to complete the relevant procedures for entitling to government subsidies.

The Target Company was established on 25 March 2014 and has not duly commenced operation. As at 31 March 2014, both total assets and net assets of the Target Company are RMB15 million.

REASONS FOR THE ACQUISITION

As at the date of this announcement, the Group is principally engaged in provision of waste treatment technologies and services which specialises in technology development, design, system integration, project investment, consultancy, operation and maintenance of waste treatment facilities, especially waste-to-energy projects.

On 30 December 2013, the Group completed the acquisition of 55% interests of 江蘇蘇北廢舊汽車家電拆解再生利用有限公司 (Jiangsu Subei Waste Vehicles and Household Appliances Dismantling Recycling Ltd.*), which was among the first batch of companies qualified to enjoy subsidies provided by the PRC government for the disposal of waste electric and electronic products and principally engaged in the disposal of waste electric and electronic products. The Directors consider that the Acquisition provides a good opportunity for the Group to expand its business in the disposal of waste electric and electronic products with an aim to strengthen the Group's revenue base and to enhance Shareholders' value.

In view of the above, the Directors consider that the terms of the Equity Transfer Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GENERAL

The applicable percentage ratio in respect of the Acquisition does not exceed 5% under Rule 14.07 of the Listing Rules. The Acquisition does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

The Acquisition is subject to completion. The Shareholders and potential investors of the Company are advised to exercise caution in dealing in the Shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of 95% equity interests of the Target Company from the Vendor by Capital Solid Environmental Energy according to the terms and conditions of the Equity Transfer Agreement
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Capital Solid Environmental Energy” or “Purchaser”	北京首拓環能投資有限公司 (Beijing Capital Solid Environmental Energy Investment Limited*), a company established under the PRC law and an indirect wholly-owned subsidiary of the Company
“Company”	New Environmental Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company

“Equity Transfer Agreement”	the equity transfer agreement dated 7 May 2014 entered into between the Purchaser and the Vendor in relation to the acquisition of Target Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	安徽鑫港環保科技有限公司 (Anhui Xin’gang Environmental Technology Company Limited*), a company established under the PRC law
“Vendor”	安徽鑫港爐料股份有限公司 (Anhui Xin’gang Charging Co., Ltd.*), a company established under the PRC law
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC and the exchange rate between RMB and HK\$ for the purpose of this announcement is RMB1:HK\$1.25

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

Hong Kong, 7 May 2014

As at the date of this announcement, the Board comprises five executive directors, namely Mr. Yu Changjian, Mr. Cao Guoxian, Mr. Liu Xiaoguang, Mr. Xue Huixuan and Mr. Shen Jianping, 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.

* for identification purposes only.