

To : Business Editor
[For Immediate Release]



NEW ENVIRONMENTAL ENERGY
HOLDINGS LIMITED
新環保能源控股有限公司

New Environmental Energy announced 2009 annual results
Acquisition of waste-to-energy business completed

* * *

Advanced Anaerobic Digestion Technology poised for market domination

Financial Highlights (For the year ended 31 December)		
	2009 (HK\$'000)	2008 (HK\$'000)
Continuing operations*		
Revenue	740,218	1,094,892
Gross profit	25,639	220,605
(Loss) profit for the year from continuing operations	(920,871)	21,872
Discontinued operation*		
(Loss) profit for the year from discontinued operation	(57,315)	(20,398)
From continuing and discontinued operation		
(Loss) profit for the year	(978,186)	1,474
Basic earnings (loss) per share	HK(225.98)cents	HK2.76 cents

* Note: Supply chain services and waste-to-energy business are classified as "Continuing Operations" and distribution and retailing business are classified as "Discontinued Operations"

[28 April 2010, Hong Kong] New Environmental Energy Holdings Limited ("New Environmental Energy" or the "Group", Stock Code: 3989.HK), formerly Hembly International Holdings Limited, today reported a revenue of HK\$823 million in 2009, representing a decrease of 39.3% over last year. Net loss attributable to the Company's equity holders amounted to HK\$978 million, incurred as a result of two accounting treatment items on impairment losses on goodwill, property, plant and equipment and other provisions, amounting to approximately HK\$800 million which was non cash in nature.

The waste-to-energy business, of which acquisition was completed in December 2009, contributed HK\$11.4 million to the Group's revenue for the year.

The impairment has not recorded significant adverse impact to the financial performance of the Group for the year ended 31 December 2009, and is expected to fade down in the next fiscal year as the reorganization nears completion. Going forward, the Group will actively work out JV contracts with local governments and continue to strengthen the waste-to-energy business to achieve a leading position in the industry.

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Given the need for prudent allocation of resources, the Board does not recommend the payment of a final dividend for the year ended 31 December 2009.

Supply Chain Services

The supply chain services, which accounted for 88.6% of the Group's revenue, reached HK\$729 million in the year under review, representing a decrease of approximately 33.4% from the previous year. Gross profit margin dropped from 22.3% to 3.0% due to a shift from manufacturing to trading which resulted in reduced margins and increased stock provisions.

Distribution and Retailing Businesses

Distribution and retailing businesses, which accounted for approximately 10.0% of the Group's revenue, reached HK\$82 million in the year under review, representing a decrease of 68.5% from the previous year. Gross profit margin for this segment recorded a slight increase from 55.3% to 56.0%. Since the Group has disposed of the distribution and retailing businesses on 30 October 2009, therefore, revenue attributed to Group was derived only for the first 10 months of the year.

Outlook

Looking ahead, the Group will focus on the rapidly growing waste-to-energy market in China. "The coming five years will see a period of fast expansion in waste management on the mainland. We expect a proliferation in new waste treatment projects being commissioned by municipal governments, as well as increased investments in upgrading existing ones. Our facility in Shenzhen is a good example. We will be upgrading the incineration technology at our plant to comply with reduced carbon emission standard, in return we will receive a raise of over 40% in the tipping fee we collect," said Mr. Steven Shi, President of Technology Group, Smartview Investment Holdings Limited, a wholly owned subsidiary of **New Environmental Energy Holdings Limited**.

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About New Environmental Energy

New Environmental Energy Holdings Limited (stock code: 3989) is a leading provider of comprehensive waste management solutions and environmental infrastructure services in China. The company's portfolio of projects has a nationwide coverage, spanning across five provinces and targets to treat over 6,000 tonnes of waste per day. The Group continues the management and operation of the supply chain businesses.

New Environmental Energy applies anaerobic digestion technology (ADT) which can be used to treat municipal solid wastes, sewage sludge, and agricultural or industrial organic wastes. The sorted and compressed waste from the digestion process can be used to produce electricity for local consumption or can be fed to the local power grid; while the residue from the process is rich in nutrients and can be used as soil conditioner or fertilizer depending on the substance.

ADT has been widely adopted in developed countries, Europe in particular. In China, construction of the first two ADT plants is well underway and due for commission within 2010. Both projects are managed by **New Environmental Energy** where the best technology is employed and best industry practices adopted.

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