



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)

To Business Editor

For Immediate Release

New Environmental Energy announces Beijing Capital as a new strategic shareholder

[17 May 2011, Hong Kong] New Environmental Energy Holdings Limited (the “Company”, stock code: 3989, together with its subsidiaries, the “Group”) announced the resolution of placing of 202,022,000 new shares disclosed earlier was approved at the extraordinary general meeting held today.

The Company will issue up to a maximum of 202,022,000 placing shares, representing approximately 16.66% of its issued share capital as enlarged by the share placement, to Beijing Capital (Hong Kong) Limited, a wholly-owned subsidiary of Beijing Capital Company Limited, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600008).

The placing price of HK\$0.4 per placing share represents a discount of approximately 54.5% to the closing price of HK\$0.88 per share, quoted on 29 March 2011, the date of the Placing Agreement.

The maximum net proceeds from the placement will be approximately HK\$78,800,000, which will be used to repay short term liability and as general working capital of the Group, mainly for the development of waste-to-energy projects in China.

Mr. Chan Tak Yan, Executive Director of New Environmental Energy Holdings Limited commented, “Through this placement, the Group has gained access to Beijing Capital as a strategic shareholder. We believe the extensive experience, resources and network of Beijing Capital in the water management industry will bring synergy to our future business development and enhance shareholders’ return in the long run.”

Liu Xiaoguang, Chairman of Beijing Capital Company Limited commented, “We are optimistic towards the future prospects of solid waste management and the waste-to-energy industry in China. Our objective is to extend our participation in the industry and the strategic investment in New Environmental Energy would strengthen our development in this area. We expect by the end of 2015, the waste management business will account for approximately 30% of our total sales and accelerate the growth of Beijing Capital as a whole. We are excited at the prospects of global capital access and international financing Beijing Capital will enjoy in future acquisitions and expansion.”

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About New Environmental Energy Holdings Limited

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

About Beijing Capital (Hong Kong) Limited

Beijing Capital (Hong Kong) Limited is principally engaged in overseas capital operations, investment and financing in the environmental industry and international business co-operation. It is a wholly-owned subsidiary of Beijing Capital Company Limited, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600008). The Shanghai listed company is controlled by Beijing Capital Group Company Limited, a state-owned company under the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

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