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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

The board of directors (the “Board”) of New Environmental Energy Holdings Limited (the “Company”) is pleased to announce that on 25 October 2011, the Company entered into a framework agreement (the “Framework Agreement”) with 山東省濟寧市人民政府(Jining Municipal People’s Government, Shandong Province *).

Pursuant to the Framework Agreement, the Company together with Jining Municipal People’s Government, Shandong Province should set up a project company (the “Project Company”), which shall be responsible for investing, building and operating a project involving the reclamation of land in Jining City, Shandong Province, the People’s Republic of China under Build-Operate-Own (BOO) arrangement.

To the best of the directors’ knowledge, information and belief having made all reasonable enquiry, Jining Municipal People’s Government, Shandong Province is a third party independent of and not connected with the Company and its subsidiaries, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates as defined in the Listing Rules.

The establishment of the Project Company shall be subject to the terms and conditions of a formal agreement including, inter alia, the total investment amount and shareholding structure to be agreed upon by the parties. The establishment of the Project Company, if materialises, may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement will be made by the Company when the formal agreement is signed.

Shareholders and/or investors should note that the proposed establishment of the Project Company may or may not proceed. Accordingly, shareholders of the Company are therefore advised to exercise caution when trading in the Company's shares.

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

Hong Kong, 27 October 2011

* for identification purpose only

As at the date of this announcement, the Board comprises five executive directors; namely, Mr. Yu Chang Jian, Mr. Liu Xiao Guang, Mr. Cao Guo Xian, Mr. Marcello Appella, and Mr. Tang Zhi Bin; 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. Lo Ming Chi, Charles, Mr. Pao Ping Wing, Mr. Kwan Hung Sang, Francis and Mr. Cheng Kai Tai, Allen.