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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)

**CONNECTED TRANSACTION IN RESPECT OF ISSUE OF
CONVERTIBLE BOND –
SUPPLEMENTAL SUBSCRIPTION AGREEMENT**

Reference is made to the announcements dated 6 December 2011 (the “**Announcement**”) and the circular dated 31 December 2011 issued by New Environmental Energy Holdings Limited (the “**Company**”) in relation to, among other things, connected transaction in respect of issue of Convertible Bond. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

On 26 June 2012, both parties of the Subscription Agreement have agreed to extend the long stop date in the Subscription Agreement from 30 June 2012 to 31 December 2012.

According to the funding arrangement of the Subscriber and the business needs of the Company, the Company and the Subscriber have entered into a supplemental agreement on 31 August 2012 after trading hours (the “**Supplemental Agreement**”). The key term of the Supplemental Agreement is that the subscription money in the total sum of HK\$100 million shall be payable by two installments of HK\$50 million each. The first installment is expected to be paid on or before 17 September 2012, the second installment shall be paid on or before 31 December 2012.

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

Hong Kong, 31 August 2012

As at the date of this announcement, the Board comprises six executive directors; namely, Mr. Yu Chang Jian, Mr. Cao Guo Xian, Mr. Liu Xiao Guang, Mr. Marcello Appella, Mr. Tang Zhi Bin and Mr. Xue Huixuan; 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. Pao Ping Wing, Mr. Cheng Kai Tai, Allen, Mr. Li Baochun and Ms. Chan Yee Wah, Eva.