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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)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO
PLACING OF UNLISTED WARRANTS UNDER GENERAL MANDATE
AND RESUMPTION OF TRADING

Reference is made to the Company's announcement ("**Announcement**") dated 31 March 2014 regarding the Placing of unlisted Warrants under the general mandate of the Company. Capitalised terms used herein shall have the same meaning as those defined in the Announcement unless the context otherwise requires.

SUPPLEMENTAL PLACING AGREEMENT

On 1 April 2014 (after trading hours), the Company and the Placing Agent entered into a supplemental agreement ("**Supplemental Agreement**"), pursuant to which the parties agreed that:

- (1) the Placing Price be revised from HK\$0.01 per Warrant to HK\$0.012 per Warrant;
- (2) the subscription period of the Warrants be extended from "a period from date of the issue of the Warrants up to 22 December 2014" to "a period of 12 months immediately after the date of the issue of the Warrants";
- (3) the last date (long stop date) for Completion of the Placing be revised from 30 April 2014 to 15 April 2014.

Save for the above, all other terms and conditions of the Placing Agreement shall remain unchanged and continue in full force and effect.

FURTHER INFORMATION ABOUT THE PLACING

The Company also wishes to provide further information relating to the Placing as below:

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent and with reference to the prevailing market sentiment and condition, the share performance and financial results of the Company.

As disclosed in the prospectus dated 14 June 2013 relating to a rights issue of the Company, the proceeds raised from such rights issue of the Company has been earmarked for specific uses. Therefore, new fund is considered to be necessary for additional general working capital of the Group and repayment of loans when they fall due. The Company has explored and will continue to explore various means of financing, including debt financing, placing of warrants, issue of convertible notes and placing of new shares, etc.. The purpose of the Placing is to utilize various capital raising avenues to maximize the funding versatility of the Company.

In view of the above, the Directors consider that the terms of the Placing Agreement (including the Placing Price and the Subscription Price as amended by the Supplemental Agreement) are fair and reasonable and the Placing is in the interest of the Company and Shareholders as a whole.

TRADING HALT AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 1 April 2014 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:00 a.m. on 2 April 2014.

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

Hong Kong, 1 April 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.