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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)

### **CHANGE IN INTENDED USE OF PROCEEDS**

Reference is made to the announcement of New Environmental Energy Holdings Limited (the “**Company**”) dated 6 December 2011 in relation to, among others, the connected transaction in respect of issue of convertible bond in the principal amount of HK\$100 million (the “**Issue of Convertible Bond**”), the announcement of the Company dated 3 August 2012 in relation to, among others, the placing and subscription of 127,244,000 Shares under the general mandate (the “**First Placing**”) and the announcement of the Company dated 19 October 2012 in relation to, among others, the placing and subscription of 183,132,000 Shares under the general mandate (the “**Second Placing**”) (collectively the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The board of directors (the “**Board**”) of the Company hereby announces that the intended use of net proceeds raised from the Issue of Convertible Bond, the First Placing and the Second Placing has been changed in light of the potential fund requirements for the investment in the waste treatment project in Xingtai, Hebei province, the PRC, of which Yangzhou Biomax Environmental Development Limited (a wholly owned subsidiary of the Company) won the tender (as announced by the Company on 22 August 2012) (the “**Xingtai Investment**”).

Set out below is the updated information in respect of the relevant net proceeds raised:

<i>Date of announcements</i>	<i>Description of the fund raising activities</i>	<i>Net proceeds raised (approximately)</i>	<i>Actual use of proceeds (as of date of this announcement)</i>	<i>Previously intended use of proceeds (as of date of the relevant announcement)</i>	<i>Current intended use of proceeds (as of date of this announcement)</i>
6 December 2011	Issue of convertible bond	HK\$48.4 million has been raised and the balance of HK\$48.4 million is to be raised	The fund raised has not been used and the balance has yet to be completed	Investment in any potential waste treatment or environment-friendly energy development projects and general working capital of the Company	Xingtai Investment and/or general working capital of the Company
3 August 2012	Placing of existing shares and subscription of new shares under general mandate	HK\$48.77 million	Approximately HK\$1.1 million has been used to repay the interest of a borrowing from Simple Success Investments Limited and the Remaining HK\$47.67 million has not been used	General working capital and repayment of loans of the Group	General working capital, repayment of loans of the Group and/or the Xingtai Investment
19 October 2012	Placing of existing shares and subscription of new shares under general mandate	HK\$80.6 million	The fund raised has not been used	General working capital of the Group	General working capital and/or the Xingtai Investment

The Directors (including the independent non-executive Directors) consider that the change in the use of proceeds raised from the Issue of Convertible Bond, the First Placing and the Second Placing is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

Hong Kong, 12 December 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.*