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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**Meeting**”) of New Environmental Energy Holdings Limited (the “**Company**”) will be held at The Focal Point, Level 10, World-Wide House, 19 Des Voeux Road Central, Hong Kong on Thursday, 19 January 2012 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“**THAT:**

- (a) the subscription agreement dated 6 December 2011 (the “**Subscription Agreement**”) entered into between the Company and Beijing Capital (Hong Kong) Limited (the “**Subscriber**”) in relation to the Company’s issue of a convertible bond (the “**Convertible Bond**”) in the principal amount of HK\$100,000,000 (a copy of which is marked “A” and has been produced to the Meeting and signed by the chairman of the Meeting for identification purpose) be and is hereby approved, ratified and confirmed, that all transactions contemplated thereunder including but not limited to the issue of the Convertible Bond by the Company to the Subscriber in such form and substance as attached in the schedule to the Subscription Agreement be and are hereby approved, ratified and confirmed, and that the directors of the Company (“**Directors**”) be and are hereby authorised to do all such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any Director) and to take such steps as the Directors consider necessary, appropriate, desirable or expedient for the implementation of and giving effect to the Subscription Agreement and the transactions contemplated thereunder, and to agree to such variation, amendment, supplement or waiver of matters relating thereto as is, in the opinion of the Directors, in the interest of the Company and the shareholders of the Company as a whole;
- (b) subject to and conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares of HK\$0.1 each (the “**Shares**”) in the share capital of the Company to be allotted and issued upon the conversion of the Convertible Bond, the Directors be and are hereby authorised to allot and issue an aggregate of up to approximately 250,000,000 new Shares (the “**Conversion Shares**”) in the authorised share capital of the Company at HK\$0.40 per

Conversion Share and credited as fully paid upon conversion of the Convertible Bond, that the Conversion Shares shall, when allotted and issued, rank pari passu in all respects with all other Shares in issue on the date of such allotment and issue, and that the Directors be and are hereby authorised to do such acts and things and to sign and execute all such further documents (in case of execution of documents under seal, to do so by any Director) and to take such steps as the Directors consider necessary, desirable or expedient in connection with the allotment and issue of the Conversion Shares;

- (c) the Acquisition Agreement dated 6 December 2011 (the “**Acquisition Agreement**”) entered into between 株洲首創水務有限責任公司 (Zhuzhou Beijing Capital Water Treatment Company Limited*)(the “**Vendor**”) and 揚州百瑪士環保產業發展有限公司 (Yangzhou Biomax Environmental Development Limited*)(the “**Purchaser**”) in relation to the sale of 100% equity interest in 醴陵首創垃圾綜合處理有限責任公司 (Liling Beijing Capital Waste Treatment Company Limited*) (the “**Target Company**”) at a consideration of RMB51.0 million (equivalent to approximately HK\$62.4 million) in cash (a copy of which is marked “B” and has been produced to the Meeting and signed by the chairman of the Meeting for identification purpose) be and is hereby approved, ratified and confirmed, that all the transactions contemplated thereunder be and are hereby approved, ratified and confirmed, and that the Directors be and are hereby authorised to do all such acts and things, to sign and execute all such further documents (in case of execution of documents under seal, to do so by any Director) and to take such steps as the Directors consider necessary, appropriate, desirable or expedient for the implementation of, giving effect to or in connection with the Acquisition Agreement and the transactions contemplated thereunder, and to agree to such variation, amendment, supplement or waiver of matters relating thereto as is, in the opinion of the Directors, in the interest of the Company and the shareholders of the Company as a whole;
- (d) conditional upon the passing of resolutions (a) and (b) above and the completion of the Subscription Agreement, the authorised share capital of the Company be and is hereby increased from HK\$200,000,000 divided into 2,000,000,000 Shares of par value of HK\$0.1 each to HK\$600,000,000 divided into 6,000,000,000 Shares by the creation of 4,000,000,000 new Shares in the capital of the Company, and that the Directors be and are hereby authorised to do all such acts and things and to sign and execute all such further documents (in case of execution of documents under seal, to do so by any Director) and to take such steps as the Directors consider necessary, appropriate, desirable or expedient for the implementation of, giving effect to or in connection with such increase in the authorised share capital of the Company; and
- (e) conditional upon the passing of resolutions (a) and (b) above and the completion of the Subscription Agreement, the Directors be and are hereby granted a Specific Mandate to exercise the powers of the Company to allot, issue and deal with the Conversion Shares upon exercise of the conversion rights under the Convertible Bond.”

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

Hong Kong, 31 December 2011

* *For identification purpose only*

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, where that member holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company but must be present in person to represent the member.
2. Proxy form for use at the Meeting is enclosed herewith.
3. To be valid, a proxy form, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the Meeting or any adjournment thereof. Completion and return of the proxy will not preclude any member from attending and voting in person at the Meeting or any adjournment thereof if you so desire and, in such event, the instrument appointing such a proxy shall be deemed to be revoked.
4. Where there are joint registered holders of any ordinary share of the Company, any one of such joint holders may vote at any Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any Meeting in person or by proxy, the one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall be accepted to the exclusion of the votes of the other joint holders, and such person alone be entitled to vote in respect of the joint holding thereof.
5. Votes on the ordinary resolutions set out herein and are to be passed at the Meeting will be taken by way of poll.

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.