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SINO DRAGON NEW ENERGY HOLDINGS LIMITED
中國龍新能源控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0395)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders and potential investors that the results of the Group for the financial year ended 31 December 2009 are expected to decline significantly as compared with those for the financial year ended 31 December 2008. The loss is mainly attributable to the impairment charges to be made in respect of certain fixed assets of the Group's zirconium chemical business.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Sino Dragon New Energy Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The board of directors of the Company (the "Board") wishes to inform the shareholders and potential investors that the results of the Group for the financial year ended 31 December 2009 are expected to decline significantly as compared with those for the year ended 31 December 2008. The loss is mainly attributable to the impairment charges to be made in respect of certain fixed assets of the Group's zirconium chemical business.

The Company is still in the process of finalizing the Group's annual results for the financial year ended 31 December 2009. The information contained in this announcement is only based on a preliminary assessment by the management of the Company and is not based on any figures or information that has been audited or reviewed by the Company's auditors. Details of the financial information and performance of the Group will be disclosed as and when the final results for the year ended 31 December 2009 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Sino Dragon New Energy Holdings Limited
Yang Xin Min
Chairman

Hong Kong, 7 April 2010

As at the date of this announcement, the executive directors of the Company are Mr. Yang Xin Min, Ms. Huang Yue Qin, Mr. Zhou Quan, Mr. Li Fu Ping and Mr. Fang Guo Hong , and the independent non-executive directors are Mr. Cheng Faat Ting Gary, Prof. Ji Chang Ming and Mr. Poon Lai Yin Michael.

* *For identification purposes only*