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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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Sino Dragon New Energy Holdings Limited (the “**Company**”) will be held at Suite 2611, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Monday, 19 September 2011 at 3:00 p.m., for the purposes of considering and, if thought fit, passing with or without modifications, the following resolutions which will be proposed as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** the conditional agreement dated 20 July 2011 (as amended and supplemented by a supplemental agreement dated 26 August 2011) (the “**Agreement**”) entered into among Mr. Wang Xiaoping Peter as vendor (the “**Vendor**”), Kanway Investments Limited as purchaser (the “**Purchaser**”) and the Company pursuant to which the Purchaser agrees to acquire the entire issued share capital of Haney Holdings Limited from the Vendor at a consideration of HK\$410,000,000 (the “**Acquisition**”), upon the terms and subject to the conditions set out in the Agreement, be and is hereby approved, ratified and confirmed;”

2. “**THAT** subject to and conditional upon the passing of resolution no.1 above, the board of directors (the “**Board**”) of the Company be and is hereby authorised to allot and issue up to 355,781,447 consideration shares at a price of HK\$0.787 (the “**Consideration Shares**”) to the Vendor (or his nominee) for the purpose of satisfying part of the consideration for the Acquisition”; and

3. “**THAT** any one director of the Company (the “**Director**”) be and is/are hereby authorised for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her/ them to be incidental to, ancillary to or in connection with the matters contemplated in or relating to the Agreement and the Supplemental Agreement and the issue and allotment of the Consideration Shares as he/she/they may consider necessary, desirable or expedient.”

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

Hong Kong, 31 August 2011

Notes:

1. The register of members of the Company will be closed from 15 September 2011 (Thursday) to 19 September 2011 (Monday), both days inclusive, during which period no transfer of Shares will be registered.
2. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited with either (i) the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or (ii) the Company's branch share registrar in Canada, Computershare Investor Services Inc. of 100 University Ave. of 9th Floor, Toronto, Ontario, M5J 2Y1, Canada, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the meeting or any adjournment thereof and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. Where there are joint holders of a share of the Company, any one of such holders may vote at the meeting either personally or by proxy in respect of such Share as if such holder were solely entitled thereto, but if more than one of such holders be present at the meeting personally or by proxy, then one of such holders so present whose name stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for this purpose be deemed joint holders thereof.

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

** for identification purposes only*