
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Sino Dragon New Energy Holdings Limited**, you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser(s) or transferee(s).

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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)

**(I) PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) PROPOSED CHANGE OF COMPANY NAME;
(IV) PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION;
AND
(V) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting (“AGM”) of the Company to be held at Suite 2611, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Monday, 19 May 2014 at 3:00 p.m. is set out on pages 15 to 19 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to either (i) the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong; or (ii) the Company’s Canadian branch share registrar, Computershare Investor Services Inc., 100 University Ave., 9th Floor, Toronto, Ontario, M5J 2Y1, Canada, not less than 48 hours before the time appointed for holding such meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

22 April 2014

* For identification purposes only

CONTENTS

	<i>Page</i>
Responsibility Statement	ii
Definitions	iii
Letter from the Board	1
Appendix I — Explanatory Statement for Share Repurchase Mandate	7
Appendix II — Biographical Details of Retiring Directors	11
Notice of Annual General Meeting	15

RESPONSIBILITY STATEMENT

This document, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this document or any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at Suite 2611, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Monday, 19 May 2014 at 3:00 p.m., notice of which is included in this circular
“Annual Report”	annual report of the Company for the year ended 31 December 2013
“Articles of Association”	the articles of association of the Company as may be amended from time to time
“Board”	the board of directors of the Company
“Change of Company Name”	proposed change of the name of the Company to “Smartac Group China Holdings Limited 中國智能集團控股有限公司”
“Company”	Sino Dragon New Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 395)
“Corporate Governance Code”	the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issuance Mandate”	the general and unconditional mandate proposed under ordinary resolutions numbered 4(A) and 4(C) in the notice of the AGM included in this circular to grant the Directors the power to (i) issue and allot Shares up to an aggregate nominal amount not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of the said ordinary resolution; (ii) to extend the mandate in (i) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company made pursuant to and in accordance with the Repurchase Mandate

DEFINITIONS

“Latest Practicable Date”	11 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Association”	the memorandum of association of the Company as may be amended from time to time
“PRC”	The People’s Republic of China
“Repurchase Mandate”	the general and unconditional mandate proposed under ordinary resolution numbered 4(B) in the notice of the AGM included in this circular to grant the Directors the power to repurchase the Shares up to an aggregate nominal amount not exceeding 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the passing of the said ordinary resolution
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Yang Xin Min (Chairman)
Huang Yue Qin
Zhou Quan
Kwan Che Hang Jason

Non-Executive Director:

Wang Jia Wei (Vice Chairman)

Independent Non-Executive Directors:

Cheng Faat Ting Gary
Poon Lai Yin Michael
Zhou Guang Yao

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

*Principal Place of Business
in Hong Kong*

Suite 2611, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

22 April 2014

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED GENERAL MANDATES
TO ISSUE NEW SHARES AND TO REPURCHASE SHARES;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) PROPOSED CHANGE OF COMPANY NAME;
(IV) PROPOSED AMENDMENTS TO MEMORANDUM AND
ARTICLES OF ASSOCIATION;
AND
(V) NOTICE OF ANNUAL GENERAL MEETING**

* For identification purposes only

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide all the Shareholders with information in respect of the resolutions to be proposed at the AGM for (i) the Issuance Mandate, the Repurchase Mandate and extension of the Issuance Mandate which are proposed to be granted to the Directors; (ii) the re-election of the Directors who are due to retire; (iii) proposed change of company name; and (iv) proposed amendments to Memorandum and Articles of Association.

SHARE REPURCHASE AND ISSUANCE MANDATES

At an annual general meeting of the Company held on 30 May 2013, resolutions were passed by the Shareholders pursuant to which general unconditional mandates were granted to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares in accordance with the Listing Rules. As at the Latest Practicable Date, the number of issued Shares of the Company is 2,806,947,850 and the maximum number of Shares to be issued pursuant to the 20% Issuance Mandate is 561,389,570 Shares. Such mandates will lapse at the conclusion of the forthcoming AGM. It is therefore proposed to seek the Shareholders' approval of ordinary resolutions to be proposed at the AGM for the purpose of granting the Issuance Mandate and the Repurchase Mandate to the Directors and authorising the extension of the Issuance Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company in accordance with the Repurchase Mandate. Details of the aforesaid resolutions are set out in ordinary resolutions numbered 4(A) to 4(C) in the notice of the AGM.

An explanatory statement as required by the Listing Rules to provide the Shareholders with all the information reasonably necessary for them to make an informed decision on the proposed resolution for the granting of the Repurchase Mandate is set out in Appendix I to this circular.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

Pursuant to the Articles of Association, Mr. Zhou Quan, Ms. Huang Yue Qin and Mr. Wang Jia Wei shall retire by rotation and be eligible for re-election at the AGM.

LETTER FROM THE BOARD

In accordance with the Articles of Association, any Director appointed during the year to fill a casual vacancy or as an additional Director shall hold office only until the first general meeting after his/her appointment and shall be eligible for re-election. Pursuant to the Articles of Association, Mr. Kwan Che Hang Jason and Mr. Zhou Guang Yao shall retire and be eligible for re-election at the AGM.

To enable the Shareholders to make an informed decision on the re-election of these retiring Directors, the biographical details of the retiring Directors, as required under Chapter 13 of the Listing Rules, are set out in Appendix II to this circular for the information of the Shareholders.

PROPOSED CHANGE OF COMPANY NAME

On 28 March 2014, the Board announced a proposal for the Change of Company Name. The Board proposes to put forward a resolution at the AGM to change the name of the Company from “Sino Dragon New Energy Holdings Limited” to “Smartac Group China Holdings Limited” and to adopt a new Chinese name “中國智能集團控股有限公司” as its dual foreign name in place of its current Chinese name “中國龍新能源控股有限公司” which was previously adopted for identification purposes only.

Conditions for the Change of Company Name

The Change of Company Name is subject to the following conditions:

- (i) the passing of a special resolution by the Shareholders of the Company at the AGM to be convened by the Company to consider and approve, amongst other things, the Change of Company Name; and
- (ii) the approval by the Registrar of Companies in the Cayman Islands.

Subject to the satisfaction of the above conditions, the Change of Company Name will take effect from the date on which the new English name and the dual foreign name are entered in the Register of Companies by the Registrar of Companies in the Cayman Islands. The Registrar of Companies in the Cayman Islands shall issue a certificate of incorporation on change of name thereafter. The Company will then carry out the necessary filing procedures with the Companies Registry in Hong Kong.

Upon the Change of Company Name becoming effective, the Board will propose and approve the adoption of new Company logo to reflect the Change of Company Name.

LETTER FROM THE BOARD

Reasons for the Change of Company Name

On 26 November 2013, the Company completed the acquisition of 51% shareholding interest in Virtual City Limited, an investment holding company with a group of subsidiaries (be commonly referred to as the “Smartac Group”) which are principally engaged in (i) providing online to offline (“O2O”) solutions by combining wireless technology and social network platforms; and (ii) software development, which reflects a significant diversification of the Company’s business into the mobile internet service industry.

The Board considers that this is an appropriate time to re-evaluate the brand positioning of the Company in order to align it with its redefined development strategies. The Board is of the view that the proposed new name, Smartac Group China Holdings Limited, should convey a clear message to the investment public on the Company’s new focus and continuous effort to develop into a leading company in the market of O2O solutions and information system big data operation and management.

Effect of the Change of Company Name

Upon the proposed Change of Company Name becoming effective, all existing share certificates bearing the name of either “Asia Zirconium Limited” or “China Zirconium Limited” or “Sino Dragon New Energy Holdings Limited” will continue to be evidence of title to Shares and will continue to be valid for trading, settlement and registration purposes and the rights of the Shareholders will not be affected by the Change of Company Name. Accordingly, there will not be any arrangement for an exchange of existing share certificates of the Company for new share certificates bearing the Company’s new name. Should the Change of Company Name become effective, any issue of share certificates thereafter will be in the new Company name and the Shares of the Company will be traded on the Stock Exchange in the new stock short names.

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

In view of the proposed Change of Company Name, the Directors propose to make certain amendments to the Memorandum and Articles of Association as detailed herein below in order to reflect the Change of Company Name and seek the approval of the Shareholders by way of a special resolution for the proposed amendments to the Memorandum and Articles of Association at the AGM.

LETTER FROM THE BOARD

Proposed Amendments to the Memorandum of Association

It is proposed that the Memorandum of Association shall be amended by replacing all references to “Sino Dragon New Energy Holdings Limited 中國龍新能源控股有限公司” with “Smartac Group China Holdings Limited 中國智能集團控股有限公司” to reflect the Change of Company Name.

Proposed Amendments to the Articles of Association

It is proposed that the Articles of Association shall be amended by replacing all references to “Sino Dragon New Energy Holdings Limited 中國龍新能源控股有限公司” with “Smartac Group China Holdings Limited 中國智能集團控股有限公司” to reflect the Change of Company Name.

The Company’s legal advisers have confirmed that the proposed amendments to the Memorandum and Articles of Association are in compliance with the requirements of the Listing Rules and the Cayman Islands laws. The Company also confirmed that there is nothing unusual about the proposed amendments to the Memorandum and Articles of Association for a company listed in Hong Kong.

In accordance with the requirement of Article 168 of the Articles of Association, the proposed amendments to the Memorandum and Articles of Association set out in the notice of the AGM will be subject to the approval by the Shareholders by special resolution.

ANNUAL GENERAL MEETING

The notice of the AGM is set out on pages 15 to 19 of this circular.

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to Article 66 of the Articles of Association. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the Stock Exchange’s website at www.hkexnews.hk and the Company’s website at www.chinazirconium.com.hk on the business day following the AGM.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk). 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 or (ii) the Company’s branch share registrar in Canada not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors believe that the granting of the Issuance Mandate, the Repurchase Mandate, the extension of the Issuance Mandate, the re-election of the retiring Directors, the proposed Change of Company Name and the proposed amendments to Memorandum and Articles of Association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of all relevant resolutions relating to the aforesaid matters at the AGM.

Yours faithfully,
For and on behalf of the Board
Yang Xin Min
Chairman

This serves as an exploratory statement, as required to be sent to all Shareholders under the Listing Rules, to provide the relevant information in connection with the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,806,947,850 Shares. Subject to the passing of the proposed ordinary resolution as referred to in resolution numbered 4(B) of the notice of the AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 280,694,785 fully paid-up Shares.

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and such repurchases will only be made if and when the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

3. FUNDING OF REPURCHASE

In repurchasing the Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association and the applicable laws of the Cayman Islands. The Directors propose that repurchase under the Repurchase Mandate would be financed from the Company's distributable profits.

The Company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. FINANCIAL EFFECT OF REPURCHASES

In the event that the Repurchase Mandate is to be exercised in full at any time during the proposed repurchase period, there might be an adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements contained in the Annual Report. However, the Directors do not have current intention to exercise the Repurchase Mandate to an extent that might result in, having regard to the relevant circumstances, a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months were as follows:

Shares	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
April	0.140	0.104
May	0.145	0.100
June	0.121	0.098
July	0.120	0.100
August	0.335	0.101
September	0.325	0.240
October	0.405	0.260
November	0.350	0.265
December		
2014		
January	0.325	0.260
February	0.370	0.250
March	0.455	0.285
April (up to Latest Practicable Date)	0.485	0.390

6. REPURCHASE MADE BY THE COMPANY

No share repurchases have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the regulations set out in the Articles of Association.

None of the Directors nor, to the best of their knowledge after having made all reasonable enquiries, any of their associates, have any present intention to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is approved by the Shareholders.

No connected person (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any Shares to the Company or its subsidiaries, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. HONG KONG CODE ON TAKEOVERS AND MERGERS

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could, depending on the level of increase of his or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the following persons had an interest of 10% or more of the issued share capital of the Company:

Name of shareholder	Number of shares	Approximate percentage of share capital
Yang Xin Min	592,573,880	21.11%

Save as disclosed above, no other persons had notified the Company that it had an interest of 10% or more of the issued share capital of the Company.

In the event that the Directors should exercise the Repurchase Mandate in full, the above Shareholder's interest in the issued share capital of the Company would be as follows:

Name of shareholder	Approximate percentage of share capital		
	Number of shares	Before the exercise of Repurchase Mandate	After the exercise of Repurchase Mandate
Yang Xin Min	592,573,880	21.11%	23.46%

The Directors consider that such increase would not give rise to Mr. Yang Xin Min an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not have the intention to repurchase the Shares to such extent at present. The Directors are not aware of any other consequence which would arise under the Takeovers Code as a result of any purchases by the Company of its Shares.

The following are the details (as required by the Listing Rules) of the Directors who will retire, and being eligible, and will offer themselves for re-election at the AGM.

1. **Mr. Zhou Quan**, aged 55, joined the Group in 1993. Mr. Zhou is the Deputy General Manager of the Group's zirconium business and battery business, mainly responsible for the management of safety, environmental protection and production of zirconium business and supervising the battery business. Mr. Zhou has extensive experience in business administration. Mr. Zhou is the brother-in-law of Mr. Yang Xin Min, Chairman of the Company. Save as disclosed above, Mr. Zhou is not connected with any Directors or senior management of the Company. Mr. Zhou has not held any directorship in other listed companies during the past three years.

As at the Latest Practicable Date, Mr. Zhou had an interest in 240,000 Shares (approximately 0.009%) within the meaning of Part XV of the SFO and had interest in 600,000 underlying Shares (approximately 0.02%) comprising the outstanding share options granted to him by the Company. Mr. Zhou has entered into a service contract with the Company with an initial term of three years. The service contract will continue thereafter unless terminated by either party thereto giving to the other at least three months' notice in writing. In accordance with the Articles of Association, Mr. Zhou is subject to retirement by rotation and re-election at the AGM. The director's emoluments of Mr. Zhou for the year ended 31 December 2013 was approximately RMB264,000 which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Zhou required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

2. **Ms. Huang Yue Qin**, aged 45, senior economist, is the General Manager and Head of the Sales, Purchasing and Marketing Departments of the Group's zirconium business. Ms. Huang joined the Group in 1991 and has over 10 years of import and export experience in the zirconium chemicals industry. Ms. Huang has frequently visited clients in the USA, Japan and Europe, and maintained very good relationship with the Group's overseas customers. Ms. Huang is not connected with any Directors or senior management of the Company. Ms. Huang has not held any directorship in other listed companies during the past three years.

As at the Latest Practicable Date, Ms. Huang did not have any interest in the Shares within the meaning of Part XV of the SFO and had interest in 600,000 underlying Shares (approximately 0.02%) comprising the outstanding share options granted to her by the Company. Ms. Huang has entered into a service contract with the Company with an initial term of three years. The service contract will continue thereafter unless terminated by either party thereto giving to the other at least three months' notice in writing. In accordance with the Articles of Association, Ms. Huang is subject to retirement by rotation and re-election at the AGM. The director's emoluments of Ms. Huang for the year ended 31 December 2013 was approximately RMB423,000 which was determined with reference to her duties and responsibilities within the Group.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders. Nor is there any information regarding Ms. Huang required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

- Mr. Kwan Che Hang Jason**, aged 46, was appointed as an executive director of the Company in December 2013. Mr. Kwan is the founder and the Chief Executive Officer of the Smartac Group. Mr. Kwan graduated in 1991 from the University of British Columbia, Canada with a Bachelor of Commerce degree and in 2010 from the EMBA program of Cheung Kong Graduate School of Business. During the period of his university studies, Mr. Kwan was the first Chinese Marketing Executive working for the Vancouver Board of Trade, as well as a part-time writer for the financial section of a local magazine. After graduation, Mr. Kwan joined the Jardines Group and was assigned to work in the IT division of the Jardines Group. In 1995, Mr. Kwan was assigned as the Regional Manager in Vietnam, and a year later he was assigned to work in the Shanghai subsidiary. In 1998, Mr. Kwan was promoted as the General Manager of Eastern China region where he worked until 1999. In 2000, Mr. Kwan founded the Smartac Group and had opened 9 branch offices in China focusing on IT system integration business. In 2002, Mr. Kwan was a member of the Executive Committee and the Chairman of the IT Committee of the Hong Kong Chamber of Commerce (Shanghai). In 2007, the Suzhou subsidiary of Smartac Group was selected as one of the key developing enterprises in the Suzhou Industrial Park ("SIP") and had been granted the right to construct an office block in the SIP which is now used as the PRC headquarter of Smartac Group. Mr. Kwan is highly experienced in providing services in mobile internet technology, Online to Offline (O2O) solutions and retail big data service operation.

Mr. Kwan is not connected with any Directors, senior management, substantial or controlling shareholders of the Company. He has not held any directorship in other listed companies during the past three years.

As at the Latest Practicable Date, Mr. Kwan had (i) a deemed interest in 253,141,304 Shares (approximately 9.02%) held by China Software Services (Holdings) Limited, a company controlled by Mr. Kwan; and (iii) a deemed interest in 108,489,130 Shares (subject to adjustment) that are issuable by the Company to China Software Services (Holdings) Limited. He has entered into a service contract with the Company with an initial term of two years. The service contract will continue thereafter unless terminated by either party thereto giving to the other at least three months' notice in writing. In accordance with the Articles of Association, Mr. Kwan is subject to retirement and re-election at the AGM. The director's emoluments of Mr. Kwan for the year ended 31 December 2013 was approximately RMB12,000 which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Kwan which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

4. **Mr. Wang Jia Wei**, aged 58, was appointed as non-executive director and Vice Chairman of the Company in June 2011. Mr. Wang is the managing director of Ningbo Bokun Petrochemical Storage Co., Ltd. and Shanghai Bokun Investment Co., Ltd. Mr. Wang was a well-known athlete in the PRC. He had been a major player and the principal coach of the National Men's Volleyball Team of China. Mr. Wang graduated from Nippon Sport Science University in Japan, majoring in Sports Psychology. Upon returning to the PRC, he started to engage in investment and project management of petrochemicals storage business, in which he has nearly 10 years' experience.

Mr. Wang is not connected with any Directors, senior management, substantial or controlling shareholders of the Company. He has not held any directorship in other listed companies during the past three years.

As at the Latest Practicable Date, Mr. Wang (i) had an interest in 210,000,000 Shares (approximately 7.48%) within the meaning of Part XV of the SFO; (ii) a deemed interest in 144,444,444 underlying Shares (approximately 5.15%) comprised in a convertible bond held by Sinobright Petroleum Management Holding Co. Limited, a company beneficially owned by Mr. Wang; and (iii) an underlying interests in 600,000 Shares (approximately 0.02%) comprised in share options granted to him by the Company. He has entered into a service contract with the Company with an initial term of two years. The service contract will continue thereafter unless terminated by either party thereto giving to the other at least 30 days' notice in writing. In accordance with the Articles of Association, Mr. Wang is subject to retirement by rotation and will offer himself for re-election at the AGM. The director's emoluments of Mr. Wang for the year ended 31 December 2013 was approximately RMB95,000 which was determined with reference to his duties and responsibilities within the Group.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Wang which is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

5. **Mr. Zhou Guang Yao**, aged 63, was appointed as independent non-executive director of the Company in February 2014. Mr. Zhou has over 30 years' experience in electrical engineering. Mr. Zhou graduated from the Undergraduate Program of Power Plant and Power System at Shanghai University of Electric Power (the "SUEP", previously known as "Shanghai College of Electricity") in 1981. In 1990, Mr. Zhou obtained a Bachelor Degree of Electrical Engineering at Shanghai Jiao Tong University and completed the postgraduate program in Business Administration at Fudan University. Mr. Zhou started his career as a teacher in SUEP since 1981 and subsequently held various senior posts in the Party Committee of SUEP. Mr. Zhou is currently acting as the president of the Institute for Smart Grid Technology and the executive council chairman of the Smart Grid Industry-University-Research Cooperation Center at SUEP.

Mr. Zhou is not connected with any Directors, senior management, substantial or controlling shareholders of the Company. He has not held any directorship in other listed companies during the past three years.

As at the Latest Practicable Date, Mr. Zhou did not have any interest in Shares within the meaning of Part XV of the SFO. Mr. Zhou has entered into a service contract with the Company with an initial term of two years. The service contract will continue thereafter unless terminated by either party thereto giving to the other at least one month's notice in writing. In accordance with the Articles of Association, Mr. Zhou is subject to retirement and re-election at the AGM. Mr. Zhou did not receive any emoluments for the year ended 31 December 2013 as he was appointed after 31 December 2013.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders. Nor is there any information regarding Mr. Zhou required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Annual General Meeting”) of the Company will be held at Suite 2611, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Monday, 19 May 2014 at 3:00 p.m. for the following purposes:

1. To receive and adopt the audited financial statements of the Company and the reports of the directors and the auditors for the year ended 31 December 2013.
2.
 - (a) To re-elect Mr. Zhou Quan as a director of the Company.
 - (b) To re-elect Ms. Huang Yue Qin as a director of the Company.
 - (c) To re-elect Mr. Kwan Che Hang Jason as a director of the Company.
 - (d) To elect Mr. Wang Jia Wei as a director of the Company.
 - (e) To re-elect Mr. Zhou Guang Yao as a director of the Company.
 - (f) To authorise the board of directors to fix the directors’ remuneration.

* *For identification purposes only*

NOTICE OF ANNUAL GENERAL MEETING

3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.
4. As ordinary business, to consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions;

A. **“THAT,**

- (i) subject to sub-paragraph (iii) of this Resolution, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with new shares in the capital of the Company, and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (ii) the approval in sub-paragraph (i) of this Resolution shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period (as defined below);
- (iii) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in sub-paragraph (i) of this Resolution, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly, otherwise than pursuant to the following:
 - (a) a Rights Issue (as defined below);
 - (b) any shares issued pursuant to the exercise of rights of subscription or conversion under the terms of any warrants or any debentures, bond warrants, notes issued by the Company or any securities which are convertible into shares of the Company;
 - (c) any share options granted or exercised pursuant to any option scheme or, any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(d) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; and

(iv) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors; and

“Rights Issue” means an offer of shares, open for a period fixed by the Directors to shareholders of the Company on the register on a fixed record date in proportion to their then holdings of such new shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT,

- (i) subject to sub-paragraph (ii) of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase its shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in sub-paragraph (i) of this Resolution, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this Resolution and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; or
- (c) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors.”

C. “**THAT**, the general mandate granted to the Directors to issue and dispose of additional shares pursuant to Ordinary Resolution No. 4A set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 4B set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the said Resolution.”

5. As special business, to consider and if thought fit, pass the following resolutions as Special Resolutions:-

A. “**THAT**, the name of the Company be changed from “Sino Dragon New Energy Holdings Limited” to “Smartac Group China Holdings Limited, and to adopt a new Chinese name “中國智能集團控股有限公司” as its dual foreign name in place of its current Chinese name “中國龍新能源控股有限公司” which was previously adopted for identification purposes only (“Name Change”) and the directors of the Company be and are hereby authorised to do all such acts, deeds and things and executed all such documents and make all such arrangements as they shall, in their absolute discretion, deem necessary or expedient to effect the foregoing.”

NOTICE OF ANNUAL GENERAL MEETING

- B. “**THAT** subject to the new name “Smartac Group China Holdings Limited” and its dual foreign name “中國智能集團控股有限公司” being entered in the Register of Companies by the Registrar of Companies in the Cayman Islands, the memorandum of association and articles of association of the Company be amended by replacing all references to “Sino Dragon New Energy Holdings Limited 中國龍新能源控股有限公司” with “Smartac Group China Holdings Limited 中國智能集團控股有限公司” to reflect the Name Change.”
6. To deal with other ordinary businesses of the Company.

By Order of the Board
Li Mei Kuen
Company Secretary

Hong Kong, 22 April 2014

Principal Place of Business in Hong Kong:

Suite 2611, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Notes:

1. The register of members of the Company will be closed from 15 May 2014 (Thursday) to 19 May 2014 (Monday), both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the Annual General Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with either (i) the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 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., 100 University Ave., 9th Floor, Toronto, Ontario, M5J 2Y1, for registration not later than 4:30 p.m. on 14 May 2014 (Wednesday).
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.
3. 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 or (ii) the Company’s branch share registrar in Canada not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. An explanatory statement containing further information on the above Resolution 4B is set out in Appendix I of this circular.