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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)

CHANGE IN AUDITORS

The board of directors (the “Board”) of Sino Dragon New Energy Holdings Limited (the “Company”) announces that KPMG LLP, Toronto, Canada (“KPMG LLP”) resigned as auditors of the Company with effect from 9 February 2011.

According to a decision statement issued by the securities regulatory authority in Canada dated 2 February 2011, the Company ceased to be a reporting issuer under the securities legislation in Canada with effect from 2 February 2011. Therefore, the Company’s auditors’ report no longer needs to be issued by an audit firm which has the relevant practice registration in Canada. The Company has appointed KPMG, Hong Kong, (“KPMG HK”) as the auditors of the Company to fill the causal vacancy following the resignation of KPMG LLP until the next annual general meeting of the Company.

As confirmed by KPMG LLP in their notice of resignation, there are no circumstances connected with their resignation which they consider should be brought to the attention of the shareholders of the Company. KPMG LLP also addressed to KPMG HK that they were not aware of any circumstances surrounding the change in auditors that they consider KPMG HK should be aware of. The Board considers that there are no circumstances in respect of the change in auditors which should be brought to the attention of the shareholders of the Company.

By Order of the Board
SINO DRAGON NEW ENERGY HOLDINGS LIMITED
Yang Xin Min
Chairman

Hong Kong, 11 February 2011

As at the date of this announcement, the 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 as Executive Directors, Mr. Cheng Faat Ting Gary, Prof. Ji Chang Ming and Mr. Poon Lai Yin Michael as Independent Non-Executive Directors.

** for identification purposes only*