

17 January 2018

China New Energy Limited

(“CNE” or “the Company”)

EGM Results and Year End Update

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, announces that, at the EGM held earlier today, all resolutions were duly approved by shareholders and proxies representing 65.86 per cent. of the issued share capital.

The resolutions authorise the Company to purchase, or agree to purchase, up to 20 per cent. of the existing issued share capital of the Company whilst the price remains below £0.02 and above £0.00025 (par value) on any date prior to 31st of December 2019, and that shares purchased may be held by the Company as treasury shares.

The Company would like to take this opportunity to provide a trading update in advance of the publication of its final results for the twelve months ended 31 December 2017.

The Company has performed well in 2017 and expects revenue to be in the order of RMB220 million (c. £24.7 million), significantly ahead of the revenue for the year to 31 December 2016 of RMB78.6 million (c. £8.85 million based on the current exchange rate). We are pleased to report that recent policy changes in China have stimulated domestic demand for increased ethanol production technology and, in turn, the technology and services provided by CNE. The Company enters the new year with a current order book and work in progress of approximately RMB122 million (c. £13.7 million).

Mr Yu, Chairman of CNE, commented “2017 will be our second profitable year in a row, and with a strong order book and work in progress, we are confident of continued profitability in 2018”.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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