

China New Energy Limited
(the “Company” or “CNE”)

Trading Update

The Board of CNE (AIM:CNEL), the AIM quoted engineering and technology solutions provider to the bioenergy sector, would like to take this opportunity to provide a trading update for the nine month period from 1 January 2018 to 30 September 2018.

The Company has continued to perform well during the period, and the directors expect revenues to continue to grow in 2018 as a result of the recent policy changes in China which have stimulated domestic demand for ethanol production technology and, in turn, the technology and services provided by CNE.

The Board believes that the current share price does not reflect the underlying value of the Company, and such undervaluation is limiting the Company’s ability to raise funds in the equity market to expand the business in this growing market sector. To address this, the Company is currently considering and assessing all the options available for fund raising in other stock exchanges, where companies in the same sector have generally been trading on more favourable PE multiples.

Consequently, the Board has been evaluating whether a primary listing on other stock exchanges will achieve a greater valuation of the Company that is consistent with its peer group, as well as provide access to capital to develop its business. Before making any decision, the Company will carefully consider the impact on all shareholders and their ability to freely trade their shares in a public market. The Company is evaluating options to best create shareholders value and expects to make a decision in Q1 2019. The Company shall update the market immediately following the decision.

Mr Yu, Chairman, commented “I am very pleased with the continued performance of the Company and that 2018 will be our third consecutive profitable year. The outlook for 2019 is for continued growth. A key goal for 2019 is to actively address our share price, so the Company can use its equity to take advantage of the opportunities in this growing renewable energy market”.

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