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CHINA NEW ECONOMY FUND LIMITED

中國新經濟投資有限公司

(Incorporated in the Cayman Islands as an exempted company with limited liability)

(Stock code: 80)

NET ASSET VALUE AND POSITIVE PROFIT ALERT

This announcement is made by China New Economy Fund Limited (the “**Company**”) pursuant to Rule 13.09 of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Based on the unaudited management accounts of the Company, the unaudited net asset value per share of the Company as at 31 December 2016 was approximately HK\$2.11. The board (the “**Board**”) of directors (the “**Directors**”) wishes to inform the shareholders and prospective investors of the Company that the Company has recorded a net profit for the year ended 31 December 2016 as compared to a net loss position for the year ended 31 December 2015. The net profit is mainly attributable to net change in unrealized fair value gain of financial assets at fair value through profit or loss as a result of strong stock price performance of certain investments made by the Company.

This net asset value and positive profit alert announcement is based on the information currently available to the Board, including the unaudited management accounts of the Company for the year ended 31 December 2016. There may be changes or adjustments following review of the unaudited management accounts by the auditors of the Company.

The Company is managed by China Everbright Securities (HK) Limited.

By Order of the Board

China New Economy Fund Limited

Gu Xu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 13 January 2017

As at the date of this announcement, the Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors, Mr. LAM Chun Ho, Mr. Faris Ibrahim Taha AYOUB and Mr. PUN Tit Shan as independent non-executive Directors.