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CHINA NEW ECONOMY FUND LIMITED

中國新經濟投資有限公司

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

(Stock Code: 80)

REDESIGNATION OF DIRECTOR

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China New Economy Fund Limited (the “**Company**”) was informed by Mr. Lam Chun Ho (“**Mr. Lam**”) on 23 April 2018 that Morris Global Capital Limited (“**Morris Global**”) has acquired in aggregate 163,959,664 shares (each a “**Share**”) of HK\$0.5 each in the Company equivalent to approximately 14.03% of the entire issued share capital of the Company. As a result of which Morris Global became a substantial shareholder of the Company. As at the date of this announcement, Mr. Lam is a director of a wholly-owned subsidiary of Morris Global and hence Mr. Lam is no longer be considered to be independent to the Company for the purpose of being an independent non-exclusive director of the Company (“**Director**”). Mr. Lam has therefore, been redesignated (the “**Redesignation**”) from an independent non-executive Director to a non-executive Director with effect from 25 April 2018. Mr. Lam has also resigned as the chairman of the Audit Committee and the Remuneration Committee of the Company with effect from 25 April 2018 but will remain as member of the Audit Committee and the Remuneration Committee of the Company.

Mr. LAM Chun Ho (“**Mr. Lam**”), aged 36, was appointed as an independent non-executive Director since 22 October 2014. He is the chairman of each of the Audit Committee and Remuneration Committee as well as a member of the Nomination Committee of the Company. Mr. Lam graduated from Hong Kong Baptist University with a bachelor degree of Business Administration in Accounting. Mr. Lam is a fellow member of the Hong Kong Institute of Certified Public Accountants and he has over 11 years’ experience in the field of auditing, financial reporting and financial management. Mr. Lam is currently a manager of a local corporate service company. Since 24 October 2014, Mr. Lam has been appointed as an independent non-executive director of China Wah Yan Healthcare Limited (648.HK), a company listed on the main board of the Stock Exchange.

Mr. Lam has entered a 3-years service contract with the Company on 22 October 2017. He is entitled to receive annual director’s fee amounting to US\$15,000 for his office as non-executive Director. The director’s fee is determined with reference to duties, prevailing market conditions and the operating results and profitability of the Company. He will also retire by rotation and be eligible for re-election in accordance with the Articles of Association of the Company.

Reference is made to the circular of the Company dated 25 April 2018 and the notice (the “**Notice**”) of annual general meeting (the “**AGM**”) enclosed therewith. In Resolution 2 of the Notice, Mr. Lam is proposed to be re-elected as an independent non-executive Director at the AGM. Since Mr. Lam has been redesignated as a non-executive Director with effect from 25 April 2018, Mr. Lam will be proposed to be re-elected as non-executive Director instead and the Redesignation will be highlighted to the shareholders of the Company present at the AGM when the Notice is read out at the AGM.

Save as disclosed above, Mr. Lam does not hold, and has not held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor has he held any other major appointments and professional qualification.

Following the Redesignation, the Board will comprise of six members with two executive Directors, one non-executive Director and three independent non-executive Directors.

APPOINTMENT OF CHAIRMAN OF THE AUDIT COMMITTEE AND REMUNERATION COMMITTEE

The Board further announces that following the Redesignation, Mr. Chong Ching Hoi, who is a member of the Audit Committee and the Remuneration Committee of the Company has been appointed as the chairman of the Audit Committee and the Remuneration Committee of the Company with effect from 25 April 2018.

Save as disclosed herein, there are no other matters relating to the Redesignation that need to be brought to the attention of the shareholders of the Company nor is there any other information that is required to be disclosed pursuant to Rule 13.51(2)(h) – (w) of the Listing Rules.

By Order of the Board
China New Economy Fund Limited
Gu Xu
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 25 April 2018

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