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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)

SUPPLEMENTAL INFORMATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report for the year ended 31 December 2020 (the “**2020 Annual Report**”) of China New Economy Fund Limited (the “**Company**”). Unless otherwise defined, capitalized terms used herein shall have the same meaning as those set out in the 2020 Annual Report.

The Board would like to provide additional information regarding the use of proceed on page 22 & 23 of the 2020 Annual Report:

PLACING OF NEW SHARES UNDER GENERAL MANDATE ANNOUNCED ON 18 FEBRUARY 2019 AND COMPLETED ON 14 MARCH 2019

The Company had raised approximately HK\$21 million, net of expenses, from the placing of new shares in 2019. It was intended that approximately HK\$16.8 million, and HK\$4.2 million, representing approximately 80% and 20% of the net proceeds, shall be applied towards investment in line with its ordinary course of business and general working capital of the Company.

All of the net proceeds had been utilised for the intended purposes set out above.

Save as disclosed above, there was no other equity fund raising by the Company during the year ended 31 December 2019, not were there any proceeds brought forward from any issue of equity securities made in previous financial years.

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE CONSOLIDATED SHARE ANNOUNCED ON 3 MARCH 2020 AND COMPLETED ON 15 MAY 2020

The Company had raised approximately HK\$39.6 million, net of expenses, from the rights issue in 2020. It was intended that approximately HK\$34.0 million, HK\$1.6 million and HK\$4.0 million, representing approximately 86%, 4% and 10% of the net proceeds, shall be applied towards investment in line with its ordinary course of business, repayment of margin payable to a broker and settlement of interest expenses and general working capital of the Company, respectively.

All of the net proceeds had been utilised for the intended purposes set out above.

Save as disclosed above, there was no other equity fund raising by the Company during the year ended 31 December 2020, nor were there any proceeds brought forward from any issue of equity securities made in previous financial years.

By Order of the Board
China New Economy Fund Limited
Gu Xu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 17 September 2021

As at the date of this announcement, the Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors; Mr. WANG Dingben and Mr. CHOW Yeung Tuen Richard as non-executive Directors; and Mr. LEUNG Wai Lim, Mr. SUN Boquan and Mr. CHONG Ching Hoi as independent non-executive Directors.