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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)**

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (“**EGM**”) of China New Economy Fund Limited (the “**Company**”) will be held at 5/F., Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong at 10:00 a.m. on Wednesday, 14 December 2016 for the purpose of considering and, if thought fit, passing the following resolutions with or without amendments as resolutions of the Company:

### **SPECIAL RESOLUTION**

1(a). “**THAT** the existing Article 45.2 in the articles of association of the Company (the “**Articles of Association**”) be deleted in its entirety and substituted therefor with the following:

“45.2 Except as otherwise provided by the rights attached to Shares, or as otherwise determined by the Directors, all dividends and distributions in respect of Shares of a particular Class and/or Series shall be declared and paid according to the Net Asset Value of the Shares of the Class and/or Series that a Member holds, or, in such other proportions as may be determined by Ordinary Resolution of the Members particularly. If any Share is issued on terms providing that it shall rank for dividend or distribution as from a particular date, that Share shall rank for dividend or distribution accordingly.”

1(b). “**THAT** the existing Article 46.1 in the Articles of Association be deleted in its entirety and substituted therefor with the following:

“46.1 The Directors may capitalise any sum standing to the credit of any of the Company’s reserve accounts (including share premium account and capital redemption reserve) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Members of any Class and/or Series in the proportion in which such sum would have been divisible amongst them and the same been a distribution of profits by way of dividend, or, in such other proportions as may be determined by Ordinary Resolution of the Members particularly, and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to an amongst them in the proportion(s) aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares

becoming distributable in factions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter into an agreement with the Company, on behalf of all of the Members interested, providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.”

## ORDINARY RESOLUTIONS

### 1. “THAT

- (a) the increase of the authorised share capital of the Company from HK\$200,000,000 divided into 400,000,000 shares of par value of HK\$0.50 each (each a “**Share**”) to HK\$1,000,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,600,000,000 unissued Shares (the “**Authorised Share Capital Increase**”) be and is hereby approved; and
- (b) any one Director be and is hereby authorised for and on behalf of the Company to execute all such documents, instruments and agreements and to do all such acts or things deemed by him/her/them to be incidental to, ancillary to or in connection with the matters contemplated in and for completion of the Authorised Share Capital Increase.”

### 2. “THAT

- (a) subject to the passing of (i) the special resolution 1; (ii) the ordinary resolutions 1 and 3 below; and (iii) conditional upon fulfillment of the conditions of the Underwriting Agreement (as defined below), the Rights Issue (as defined below) and the transactions contemplated thereunder be and are hereby approved;

For the purpose of this resolution, “Rights Issue” means the proposed issue by way of rights issue of 333,784,800 Shares (the “**Rights Shares**”) at a subscription price of HK\$0.50 per Rights Share to the qualifying shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the date by reference to which entitlement under the Rights Issue will be determined (other than those shareholders (the “**Prohibited Shareholders**”) with registered addresses outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Rights Issue to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place) in the proportion of three (3) Rights Shares for every two (2) Shares then held and otherwise pursuant to and subject to the fulfillment of the conditions set out in the underwriting agreement (the “**Underwriting Agreement**” including all supplemental agreements relating thereto) (a copy of which have been produced to the EGM marked “A” and signed by the chairman of the EGM for the purpose of identification) dated 4 November 2016 and made between the Company and China Jianxin Financial Services Limited as underwriter (the “**Underwriter**”);

- (b) any Directors be and is hereby authorised to allot and issue the Rights Shares (in their nil-paid form and fully-paid forms) pursuant to and in connection with the Rights Issue notwithstanding the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors be and are hereby authorised to make such exclusions or other arrangements in relation to fractional entitlements and/or Prohibited Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the Articles of Association or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong;
  - (c) the entering into the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the unsubscribed Rights Shares, if any, by the Underwriter and/or such subscriber(s) to be procured by the Underwriter) be and are hereby approved, confirmed and ratified; and
  - (d) any Director be and is hereby authorised to sign and execute such documents, instruments and agreements (whether under common seal or not) and to do all such acts or things deemed by him/he/them to be incidental to, ancillary to or in connection with the matters contemplated under the Underwriting Agreement, the Rights Issue and/or the Bonus Issue as he/she/they may in his/her/their absolute discretion consider necessary, desirable or expedient to give effect to the Underwriting Agreement, the Rights Issue and/or the Bonus Issue and the issue of the Rights Shares and the Bonus Shares and the implementation of all transactions contemplated thereunder, including but not limited to the issue and allotment of Rights Shares and Bonus Shares and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”
3. “**THAT** subject to the passing of the special resolution 1 and the ordinary resolutions 1 and 2 above:
- (a) the issue (the “**Bonus Issue**”) by way of bonus Shares (the “**Bonus Shares**”), credited as fully paid, to the first registered holders of the fully-paid Rights Shares on the basis of two (2) Bonus Shares for every three (3) fully-paid Rights Shares taken up in accordance with the terms and conditions as set out in the circular of the Company dated 21 November 2016 be and is hereby confirmed and approved and any Directors be and is hereby authorised to allot and issue the Bonus Shares pursuant to or in connection with the Bonus Issue notwithstanding that the same may be offered, allotted or issued otherwise than pro rata to the existing shareholders of the Company and, in particular, the Directors be and are hereby authorised to make such exclusion or other arrangements in relation to fractional entitlements or Prohibited Shareholders as they deem necessary, desirable or expedient having regard to any restrictions or obligations under the Articles of Association or the laws of, or the rules and regulations of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong; and

- (b) any Directors be and is hereby authorised to sign and execute such documents and do all such acts and things as they consider necessary, desirable or expedient in connection with the Bonus Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Bonus Shares and appropriation of such sum from the contributed surplus account or any other reserves of the Company as permitted under the Companies Law (2013 Revisions as amended) in paying up in full the Bonus Shares.”

For and on behalf of the Board of  
**China New Economy Fund Limited**  
**GU Xu**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 21 November 2016

*Registered office:*

P.O. Box 309, Uglund House,  
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Grand Cayman KY1-1104,  
Cayman Islands

*Head office and principal place of  
business in Hong Kong*

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16–18 Queen’s Road Central  
Central, Hong Kong

*Notes:*

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and to vote on his behalf. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead.
2. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon must be deposited with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited of Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof, together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority.
4. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the instrument appointing the proxy shall be deemed to be revoked.
5. Save for any resolution(s) approving the procedural and administrative matters, any voting of the EGM should be taken by poll.

*As at the date of this notice, 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.*