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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)

EFFECTIVE DATE OF CAPITAL REDUCTION OF ISSUED SHARES AND SUB-DIVISION OF UNISSUED SHARES AND FREE EXCHANGE OF SHARE CERTIFICATES

Reference is made to the announcements of China New Economy Fund Limited (the “**Company**”) dated 1 August 2018, 17 September 2018 and 30 October 2018 and the circular of the Company dated 21 August 2018 (the “**Circular**”) in relation to, among other things, the proposed Capital Reduction and Sub-division. Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meanings as those defined in the Circular. The Board is pleased to announce that a copy of the order by the Court confirming the Capital Reduction and the minutes approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction were filed and duly registered with the Registrar of Companies in the Cayman Islands on 7 December 2018 (Cayman Islands date) and the Company has received approval from the Listing Committee for the listing of, and permission to deal in, the New Ordinary Shares arising from the Capital Reduction and the Sub-division on 7 December 2018. The Company further announces that all the other conditions precedent for the implementation of the Capital Reduction and the Sub-division have been fulfilled. Accordingly, the Capital Reduction and the Sub-division became effective after 4:00 p.m. on 7 December 2018 and before 9:00 a.m. on 10 December 2018 in Hong Kong (due to time difference between Hong Kong and the Cayman Islands).

FREE EXCHANGE OF SHARE CERTIFICATES

Shareholders may, during the period from 9:00 a.m. on Monday, 10 December 2018 to 4:30 p.m. on Tuesday, 15 January 2019 (both days inclusive), submit the existing certificates for the ordinary Shares in yellow colour to the Registrar at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong to exchange for certificates for the New Shares in green colour at the expense of the Company. Following the expiry of the period for free exchange of share certificates, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) payable by the Shareholders for each certificate issued or cancelled, whichever is higher.

All existing certificates of the ordinary Shares will continue to be evidence of entitlement to such ordinary Shares and be valid for delivery, transfer and settlement purpose.

2018

(Hong Kong dates and time unless otherwise specified)

Effective date of the Capital Reduction and the Subdivision Friday, 7 December
(Cayman Islands date),
which will take effect after
4:00 p.m. on 7 December and
before 9:00 a.m. on
10 December in Hong Kong
due to time difference

First day of the free exchange of the Existing Share Certificates
for the New Share Certificates for the New Shares Monday, 10 December

Commencement of the dealings in the New Shares
on the Stock Exchange. 9:00 a.m.
on Monday, 10 December

Last day for the free exchange of the Existing Share Certificates
for the New Share Certificates. 4:30 p.m.
on Tuesday, 15 January 2019

By order of the Board
China New Economy Fund Limited
GU Xu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 7 December 2018

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 as non-executive Director, and Mr. CHONG Ching Hoi, Mr. PUN Tit Shan and Mr. LEUNG Wai Lim as independent non-executive Directors.