

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China New Economy Fund Limited, you should at once hand this Circular, together with the enclosed form of proxy, to the purchaser or the transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

PROPOSALS RELATING TO

(1) RE-ELECTION OF RETIRING DIRECTORS

AND

(2) GENERAL MANDATE TO ALLOT AND ISSUE SHARES

AND

(3) GENERAL MANDATE TO REPURCHASE SHARES

AND

NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting (“AGM”) of China New Economy Fund Limited to be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 27 May 2016 at 10:00 a.m., at which the above proposals will be considered, is set out in this Circular. Whether or not you are able to attend the AGM, please complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude shareholders from attending and voting in person at the AGM if they so wish.

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DEFINITIONS

In this Circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 27 May 2016
“Articles”	the articles of association of the Company, in force from time to time
“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Circular”	this circular dated 22 April 2016
“Company”	China New Economy Fund Limited, an exempted company incorporated in the Cayman Islands with limited liability on 1 February 2010, the Shares of which are listed on the Main Board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Manager”	China Everbright Securities (HK) Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Latest Practicable Date”	15 April 2016, being the latest practicable date prior to the printing of this Circular for ascertaining certain information
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SFC”	the Securities and Future Commission
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“Share(s)”	ordinary share(s) in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America

LETTER FROM THE BOARD

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)

Board of Directors

Executive Directors

Mr. GU, Xu (*Chairman and Chief Executive Officer*)

Mr. CHAN, Cheong Yee

Independent non-executive Directors

Mr. LAM, Chun Ho

Mr. AYOUB, Faris Ibrahim Taha

Mr. HUANG, Liangkuai

Mr. PUN, Tit Shan

Registered Office

P.O. Box 309, Ugland House,
South Church Street,
George Town,
Grand Cayman KY1-1104
Cayman Islands

Principal Place of Business

Room 707,7/F,
New World Tower 1,
16–18 Queen's Road Central,
Hong Kong

22 April 2016

To the Shareholders

Dear Sir or Madam,

**PROPOSALS RELATING TO
(1) RE-ELECTION OF RETIRING DIRECTORS
AND
(2) GENERAL MANDATE TO ALLOT AND ISSUE SHARES
AND
(3) GENERAL MANDATE TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this Circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on Friday, 27 May 2016.

2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Listing Rules, Mr. Gu Xu and Mr. Huang Liangkuai shall retire but Mr. Huang Liangkuai has indicated not to seek for re-election at the AGM. According to Article 34.2 of the Articles of Association, Mr. Pun Tit Shan who was appointed by the Board on 8 April 2016, shall hold office until the AGM and then shall be subject to re-election at the AGM. Mr. Gu and Mr. Pun, being eligible, will offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

Details of the retiring Directors are set out in Appendix I to this Circular.

3. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 28 May 2015, a general mandate was granted to the Directors to issue Shares. Such general mandate will lapse at the conclusion of the AGM. In order to ensure flexibility and to give discretion to the Directors in the event that it becomes desirable to allot and issue Shares, an ordinary resolution will be proposed at the AGM to approve the granting of unconditional mandate to the Directors, separately or concurrently allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares of the Company as at the date of the passing of the proposed resolution contained in the notice of the AGM (i.e. a total of 185,436,000 Shares on the basis that the issued shares of the Company remain unchanged on the date of the AGM) (the “**Share Issue Mandate**”) and adding to such general mandate so granted to the Directors any Shares repurchased by the Company pursuant to the Share Repurchase Mandate (as defined below).

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to have a general authority from Shareholders to enable the Directors to allot and issue new Shares of the Company. Such allotment or issuance of new Shares will only be made when the Directors believe that such allotment or issuance of new Shares will benefit the Company and its Shareholders as a whole.

4. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting held on 28 May 2015, the Directors were granted a general unconditional mandate to repurchase Shares. Such mandate will expire at the conclusion of the AGM.

In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of a share repurchase mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares of the Company as at the date of passing of the proposed ordinary resolution contained in the notice of the AGM (i.e. a total of 92,718,000 Shares on the basis that the issued shares of the Company remains unchanged on the date of AGM) (the “**Share Repurchase Mandate**”).

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this Circular.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice convening the AGM proposed to be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong is set out on pages 12 to 15 of this Circular.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

A form of proxy for use at the AGM is enclosed with this Circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chinaneweconomyfund.com>). Whether or not Shareholders are able to attend the AGM, they are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. To be valid, this form of proxy, together with the notarized power of attorney or other document of authorization (if any), must be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

6. RECOMMENDATION

The Directors consider that the proposed retiring Directors and granting of the Share Issue Mandate and Share Repurchase Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

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

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING
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The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the AGM.

EXECUTIVE DIRECTOR

- (1) **Mr. GU Xu (“Mr. Gu”)**, aged 51, Chairman and Chief Executive Officer of the Company. Mr. Gu is responsible for the provision of leadership to the Board and the Company’s business development and daily management generally. Mr Gu was appointed as Chairman and Chief Executive Officer on 28 May 2015 and has been appointed as executive Director of the Company since 25 November 2010.

Mr. Gu completed a bachelor’s degree majoring in Economics from Shanghai University of Finance and Economics (上海財經大學) in 1986. He further received a master’s degree majoring in Economics from the same university in 1989 and a master’s degree majoring in Business Administration awarded jointly by Fudan University (復旦大學) and The University of Hong Kong in 2003. Mr. Gu has accumulated 20 years’ experience in asset management, investment and financial management in both financial conglomerate and private company. From October 2006 to May 2008, Mr. Gu was the president and partner of 上海格雷特投資管理有限公司 (Create Capital Co., Ltd.) and he was responsible for the management and investment decision making of a fund in the PRC. Since July 2009, Mr. Gu has been acting as the director of 河南農開投資基金管理有限責任公司 (Henan Agriculture Development Investment Fund Management Limited) and is responsible for the management and supervision of a fund named 河南農業開發產業投資基金 (Henan Agriculture Development Investment Fund). Since August 2010, Mr. Gu has been serving as the general manager of 上海宏華文化創業投資有限責任公司 (Shanghai Honghua Cultural Venture Investment Company Limited) (the “Honghua Fund”), a fund company targeting investment in culture industry in China. He is also the general manager and director of the investment manager of the Honghua Fund. Mr. Gu is also the chairman of the board of 上海東晟投資管理有限公司 (Shanghai Dongsheng Investment Management Co., Ltd.).

Saved as disclosed above, Mr. Gu did not hold any directorship 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.

Mr. Gu does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Gu has entered into a service contract with the Company and he is subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules. Mr. Gu is entitled to receive a director’s fee of HK\$360,000 per annum, which is based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING
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As at the Latest Practicable Date, Mr. Gu has options granted by the Company pursuant to its share option scheme to subscribe for 5,295,228 Shares. Save as disclosed above, Mr. Gu does not have any interest in shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no information which is disclosable nor is Mr. Gu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr. Gu that need to be brought to the attention of the Shareholders of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTOR

- (2) **Mr. PUN Tit Shan (“Mr. Pun”)**, aged 55, has been appointed as an independent non-executive Director since 8 April 2016. He is a member of the Audit Committee, Nomination Committee and the Remuneration Committee of the Company.

Mr. Pun is currently the chief investment officer of Astrum Capital Management Limited, who holds a master of business administration degree (with honour) from the University of Manchester. Mr. Pun is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 9 (asset management) regulated activities under the SFO. He has over 31 years of experience in the finance field, such as strategic dealing and arbitraging in the derivatives market, sales and marketing management in the primary and secondary equity market and sales and assets managing of high net-worth clients and investment advisory.

From 1984 to 1989, Mr. Pun was a chief trader and dealing room manager of legacy Po Sang Bank Ltd., Hong Kong and was a vice president and senior dealer of Credit Suisse, Hong Kong from 1989 to 1993, both focusing on foreign exchange and precious metals trading. From 1993 to 1994, he was a manager of Po Sang Financial Investment Services Co., Ltd. From 1994 to 1996, he was appointed as directors of Po Sang Futures Ltd. and Chung Mao Commodities & Futures Ltd. From 1996 to 2003, he acted as vice president of Bank of China International Securities Ltd. looking after the stock options and the financial derivatives and the brokerage sales department. From 2003 to 2008, he was the responsible officer and director of Southwest Securities (HK) Brokerage Ltd. (formerly known as Tanrich Securities Co. Ltd.), Southwest Securities (HK) Asset Management Ltd. (formerly known as Tanrich Asset Management Ltd.), and Southwest Securities (HK) Futures Ltd. (formerly known as Tanrich Futures Ltd.). From 2008 to 2015, he was the responsible officer of Haitong International Securities Co. Ltd, Haitong International Futures Ltd., and in the years of 2008 to 2014, he was also the responsible officer of Haitong International Assets Management Ltd. In January 2015 to September 2015, he was also the responsible officer of Haitong International Consultants Ltd of which the principal activities were engaged in asset management.

Currently, he is the vice-chairman of Institute of Financial Analyst and Professional Commentator; a member of Lions Club of Hong Kong Shouson Hill and the honorary consultant of Hong Kong Ningxia Youth Association (香港寧夏青年會) since 2015. Mr. Pun was previously a board director of Hong Kong Futures Exchange Ltd. (1995–1999); a

APPENDIX I DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING
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board director of Hong Kong Stock Exchange Options Clearing House Ltd. (1997–2000); a membership committee member of Hong Kong Securities Institute (1998–2002); a panel member of Derivatives Market Consultative Panel (2000–2003); and a committee member of Hong Kong Securities Institute Professional Education Committee (2002–2004).

Save as disclosed above, Mr. Pun does not hold any directorship 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.

Mr. Pun does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Pun has entered into a service contract with the Company for an initial term of three years commenced on 8 April 2016 and shall hold office only until the AGM and shall be eligible for re-election in accordance with the Articles of the Company. He is also subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules. Mr. Pun is entitled to receive a director's fee of HK\$117,000 per annum which is determined by the Remuneration Committee of the Company with reference to his duties and responsibilities as well as the prevailing market conditions.

As at the Latest Practicable Date, Mr. Pun does not have any interest in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no information which is disclosable nor is Mr. Pun involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Mr. Pun that needs to be brought to the attention of the Shareholders of the Company.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 927,180,000 Shares of nominal value of HK\$0.1 each.

Subject to the passing of the ordinary resolution granting the proposed Share Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a total of 92,718,000 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Repurchase of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

3. FUNDING OF SHARE REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the laws of Cayman Islands and/or any other applicable laws, as the case may be.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2015) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5 MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares were traded on the Stock Exchange during each of the previous twelve months (and from April 2015 up to including the Latest Practicable Date) were as follows:

Month	Highest HK\$	Lowest HK\$
2015		
April	0.662	0.282
May	0.886	0.453
June	0.750	0.506
July	0.643	0.263
August	0.375	0.243
September	0.292	0.239
October	0.282	0.243
November	0.268	0.242
December	0.255	0.230
2016		
January	0.243	0.161
February	0.195	0.172
March	0.236	0.180
April (<i>up to the Latest Practicable Date</i>)	0.219	0.178

6. GENERAL

To the best of the knowledge of the Directors and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the proposed Share Repurchase Mandate is approved by the Shareholders and the proposed Share Repurchase Mandate is exercised.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the grant of the proposed Share Repurchase Mandate is approved by the Shareholders and the proposed Share Repurchase Mandate is exercised.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Directors, as at the Latest Practicable Date, SEEC Media Group Limited ("SEEC"), a substantial shareholder of the Company as defined in the Listing Rules, was interested in a total of 103,020,000 Shares (which was held by Laberie Holdings Limited, a company wholly-owned by SEEC) representing approximately 11.11% of the total issued share capital of the Company. In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the aggregate shareholding of SEEC would be increased to approximately 12.35% of the issued share capital of the Company.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange). The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage by the Stock Exchange.

8. REPURCHASE OF SHARES BY THE COMPANY

During the previous six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China New Economy Fund Limited (the “**Company**”) for the year 2016 will be held at 5/F, Euro Trade Centre, 13–14 Connaught Road Central, Hong Kong on Friday, 27 May 2016 at 10:00 a.m. for the following purpose:

1. To receive, consider and adopt the audited financial statements and the reports of the directors and auditors of the Company for the year ended 31 December 2015.
2. (a) To re-elect the following retiring Directors:
 - (i) Mr. GU Xu as an executive Director
 - (ii) Mr. PUN Tit Shan as an independent non-executive Director
- (b) To authorize the Board of Directors to fix the remuneration of the respective Directors.
3. To re-appoint Ernst and Young as auditors of the Company and to authorize the Board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers;
- (b) the mandate in paragraph (a) above shall authorize the Directors of the Company to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution; and

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its Shares in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of Shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution; and

(c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 4 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution.”

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

Hong Kong, 22 April 2016

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules.
- (2) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (3) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
- (4) The Register of Members of the Company will be closed from Wednesday, 25 May 2016 to Friday, 27 May 2016, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 24 May 2016.
- (5) 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, Mr. HUANG Lianguai and Mr. PUN Tit Shan as independent non-executive Directors.
- (6) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.