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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)

RESULTS OF THE RIGHTS ISSUE OF 97,353,899 RIGHTS SHARES ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY EIGHT (8) EXISTING SHARES HELD ON THE RECORD DATE WITH BONUS ISSUE ON THE BASIS OF THREE (3) BONUS SHARES FOR EVERY ONE (1) RIGHTS SHARE TAKEN UP UNDER THE RIGHTS ISSUE

Reference is made to the prospectus of China New Economy Fund Limited (the “**Company**”) dated 6 March 2018 (the “**Prospectus**”) in connection with the Rights Issue and the Bonus Issue. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that at 4:00 p.m. on Tuesday, 20 March 2018, being the latest time for acceptance and payment for the Rights Shares, a total of 16 valid PAL acceptances and 11 valid excess applications were received in respect of an aggregate of 31,941,213 Rights Shares and 43,272,770 Rights Shares, respectively, representing approximately 32.81% and 44.45% of the total number of 97,353,899 Rights Shares available for subscription under the Rights Issue respectively.

As all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated under its terms by the Underwriter, the Rights Issue and the Bonus Issue became unconditional at 5:00 p.m. on Wednesday, 21 March 2018.

UNDERWRITING ARRANGEMENTS

Based on the above results, the Rights Issue was under-subscribed by 22,139,916 Rights Shares (the “**Untaken Rights Shares**”). In accordance with the terms of the Underwriting Agreement, the Underwriter has subscribed for all the Untaken Rights Shares, representing approximately 22.74% of the total number of 97,353,899 Rights Shares available for subscription under the Rights Issue and approximately 1.9% of the issued share capital of the Company of 1,168,246,794 Shares as enlarged by the 97,353,899 Rights Shares and 292,061,697 Bonus Shares.

BONUS ISSUE

As the Bonus Shares will be issued by the Company on the basis of three Bonus Shares for every one Rights Share taken up under the Rights Issue, a total of 225,641,949 Bonus Shares will be issued to the valid applicants under the PALs and the excess applications pursuant to the Bonus Issue, and a total of 66,419,748 Bonus Shares will be issued for the Untaken Rights Shares taken up by subscribers procured by the Underwriter. Fractional Bonus Shares will be disregarded and will not be issued to the relevant applicant(s) and subscriber(s).

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and after the completion of the Rights Issue and the Bonus Issue is set out below:

Name of Shareholder	Immediately before completion of the Rights Issue and the Bonus Issue		Immediately after completion of the Rights Issue and the Bonus Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Wang Xin	127,186,628	16.33	135,186,628	11.57
Subscribers procured by the Underwriter	–	–	88,559,664	7.58
Public Shareholders	651,644,570	83.67	944,500,502	80.85
Total	<u>778,831,198</u>	<u>100.00</u>	<u>1,168,246,794</u>	<u>100.00</u>

DESPATCH OF SHARE CERTIFICATES AND COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES AND THE BONUS SHARES

It is expected that the share certificates for the Rights Shares in respect of the valid acceptances of the Rights Shares under the PALs and the excess applications, together with the share certificates for the Bonus Shares, will be despatched to those relevant Qualifying Shareholders’ registered addresses (as shown on the register of members of the Company) on or before Wednesday, 28 March 2018 by ordinary post at their own risk.

Dealings in the fully-paid Rights Shares and the Bonus Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Thursday, 29 March 2018.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Shares, the Company has appointed Computershare Hong Kong Investor Services Limited as an agent to provide matching services, on a best effort basis, to the Shareholders who wish to acquire odd lots of the Shares to make up full board lot, or to dispose of their holding of odd lot of the Shares during the period from 9:00 a.m. on Thursday, 29 March 2018 to 4:00 p.m. on Monday, 23 April 2018 (both dates inclusive). Holders of Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) of such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above odd lot arrangement.

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

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 March 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, Mr. Faris Ibrahim Taha AYOUB, Mr. PUN Tit Shan and Mr. CHONG Ching Hoi as independent non-executive Directors.