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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)

**UPDATE ON PROPOSED CAPITAL REDUCTION OF ISSUED SHARES
AND SUB-DIVISION OF UNISSUED SHARES
AND
EXPECTED TIMETABLE**

Reference is made to the announcements of China New Economy Fund Limited (the “**Company**”) dated 1 August 2018 and 17 September 2018 and the circular of the Company dated 21 August 2018 (the “**Circular**”) in relation to 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 wishes to announce that pursuant to the directions given by the Court, the petition hearing for confirmation of the Capital Reduction will be held on Wednesday, 5 December 2018 (Cayman Islands date) at the Court.

Accordingly set out below is the revised expected timetable for the implementation of the Capital Reduction and the Sub-division and the relevant trading arrangements, which is subject to the satisfaction of the conditions set out in the paragraph headed “Conditions for the Capital Reduction and the Sub-division” in the Circular:

2018

(Hong Kong dates and time unless otherwise specified)

Petition hearing at the Court for confirmation of
the Capital Reduction Wednesday, 5 December
(Cayman Islands date)

Expected date of registration of a copy of the order from
the Court confirming the Capital Reduction and
the minutes approved by the Court pursuant to
the Companies Law Friday, 7 December
(Cayman Islands date)

2018

(Hong Kong dates and time unless otherwise specified)

Expected 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

Further announcement(s) will be made by the Company on the outcome of the Court hearing and/or the precise timetable for the implementation of the Capital Reduction and the Sub-division and the relevant trading arrangements, if and when appropriate.

By order of the Board
China New Economy Fund Limited
GU Xu
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 October 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.