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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)

TERMINATION OF PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE WITH RESPECT TO SHARE SWAP BETWEEN CNE AND OPG

Reference is made to the announcement (the “**Announcement**”) dated 8 September 2020 issued by China New Economy Fund Limited (“**CNE**”) in relation to, among others, the entering into of the share swap agreement (the “**Share Swap Agreement**”) dated 8 September 2020 between CNE and Oriental Payment Group Holdings Limited (“**OPG**”); and the proposed allotment and issue of 86,000,000 new shares of CNE (the “**CNE Subscription Share(s)**”) under general mandate as contemplated under the Share Swap Agreement. Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The CNE Board hereby announces that on 27 November 2020 (after trading hours), CNE and OPG have after arm’s length negotiations entered into a deed of termination (the “**Deed of Termination**”) to terminate the Share Swap Agreement, pursuant to which the Share Swap Agreement shall be terminated and shall cease to be binding upon CNE and OPG with effect from the date of the Deed of Termination, whereupon neither of the parties thereto shall have any claims against each other for breach of any provision or otherwise howsoever in connection with the Share Swap Agreement (if any); and the parties thereto mutually release and discharge each other from all obligations, duties, responsibilities, claims and liabilities whatsoever of whatever nature owed to any other party (if any) arising out of or in connection with the Share Swap Agreement.

As disclosed in the Announcement, Completion is subject to and conditional upon fulfilment of certain Conditions Precedent. However, it is anticipated that the time required to satisfy the relevant Conditions Precedent is longer than expected and that the possible delay in the Completion does not match with the respective business development pace of CNE and OPG as initially contemplated under the Share Swap Agreement. As such, CNE and OPG have mutually agreed to terminate the Share Swap Agreement by way of the entering into of the Deed of Termination.

The CNE Board considers that the entering into of the Deed of Termination is in the interests of CNE and the CNE Shareholders as a whole and has no material adverse impact on the existing business or financial position of CNE.

As the Share Swap Agreement has been terminated by the Deed of Termination as disclosed above, Completion and the proposed allotment and issue of the CNE Subscription Shares under the CNE General Mandate will not proceed as initially contemplated under the Share Swap Agreement.

By Order of the Board
China New Economy Fund Limited
Gu Xu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 November 2020

As at the date of this announcement, the CNE Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as its executive directors; Mr. WANG Dingben and Mr. CHOW Yeung Tuen Richard as its non-executive directors; Mr. LEUNG Wai Lim, Mr. SUN Boquan and Mr. CHONG Ching Hoi as its independent non-executive directors.