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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 151,500,000 RIGHTS SHARES AT HK\$0.28 PER RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON RECORD DATE

The Board is pleased to announce that as at 4:00 p.m. on Monday, 15 September 2014, being the latest time for acceptance of and payment for Rights Shares, 130,206,999 valid acceptances of provisional allotments had been received, representing approximately 85.95% of the total number of 151,500,000 Rights Shares available for subscription under the Rights Issue. All conditions of the Rights Issue have been fully satisfied and the Rights Issue became unconditional at 4:00 p.m. on Wednesday, 17 September 2014.

Share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 24 September 2014 to those Qualifying Shareholders who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

Dealings in the fully-paid Rights Shares will commence at 9:00 a.m. on Thursday, 25 September 2014.

Reference is made to the prospectus (the “**Prospectus**”) of China New Economy Fund Limited (the “**Company**”) dated 29 August 2014 in relation to the Rights Issue. Unless otherwise defined in this announcement, 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 as at 4:00 p.m. on Monday, 15 September 2014, being the latest time for acceptance of and payment for Rights Shares, 130,206,999 valid acceptances of provisional allotments had been received, representing approximately 85.95% of the total number of 151,500,000

Rights Shares available for subscription under the Rights Issue. All conditions of the Rights Issue have been fully satisfied and the Rights Issue became unconditional at 4:00 p.m. on Wednesday, 17 September 2014.

Underwriting arrangements

Based on the above results, the Rights Issue was under-subscribed by 21,293,001 Rights Shares. In accordance with the terms of the Underwriting Agreement, the Underwriter has subscribed and procured subscription for all the 21,293,001 untaken Rights Shares.

Despatch of share certificates

Share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 24 September 2014 to those Qualifying Shareholders who have accepted and paid for the Rights Shares, by ordinary post at their own risk.

Commencement of dealings in Rights Shares

Dealings in the fully-paid Rights Shares will commence at 9:00 a.m. on Thursday, 25 September 2014.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company as at the date hereof and immediately after completion of the Rights Issue is as follows:

	As at the date of this announcement		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Public Shareholders	303,000,000	100%	433,206,999	95.32 %
Underwriter	—	—	21,293,001	4.68 %
Total	<u>303,000,000</u>	<u>100 %</u>	<u>454,500,000</u>	<u>100 %</u>

On behalf of the board of
China New Economy Fund Limited
Craig Blaser Lindsay
*Chairman, Chief Executive Officer
and Executive Director*

Hong Kong, 23 September 2014

As at the date of this announcement, the Directors of the Company are Mr. LINDSAY Craig Blaser, Mr. GU Xu and Mr. CHAN Cheong Yee as executive directors, Mr. SIU Kam Chau, Mr. DALLY Doyle Ainsworth and Mr. AYOUB Faris Ibrahim Taha as independent non-executive directors.