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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)**

## **CHANGE OF CUSTODIAN AND ADMINISTRATOR**

Deutsche Bank AG, Hong Kong Branch has been appointed as the new custodian of the Company and Amicorp Hong Kong Limited has been appointed as the new administrator of the Company.

### **(1) APPOINTMENT OF NEW CUSTODIAN**

The Company has entered into the New Custodian Agreement with Deutsche Bank AG, Hong Kong Branch under which the Company has agreed to appoint the New Custodian, and the New Custodian has agreed to act as custodian to the Company to provide custody services in relation to Securities and Cash which the Company may from time to time deposit with the New Custodian. The existing custodian of the Company, HSBC Institutional Trust Services (Asia) Limited will cease its services on 2 August 2015.

#### **Term of the New Custodian Agreement**

The New Custodian Agreement shall continue in force until terminated by not less than 30 days' prior notice in writing by either the Company or the New Custodian.

#### **Fees payable to the New Custodian**

Pursuant to the New Custodian Agreement, a safekeeping fee at 2 bps (0.02%) per annum of the net asset value of the Company at each valuation day, subject to a minimum of USD2,500 per month are payable by the Company.

The Board is of the view that the custody fee is in line with the prevailing market rates.

#### **Information of the New Custodian**

Deutsche Bank AG's Institutional Cash & Securities Services unit is one of the world's largest and most experienced providers of administrative services for capital market instruments and other types of financing. It provides custody, clearing and related services in more than 30 markets.

## **(2) APPOINTMENT OF NEW ADMINISTRATOR**

The Company has entered into the New Administration Agreement with Amicorp under which the Company has agreed to appoint the New Administrator, and the New Administrator has agreed to act as administrator to provide with the Company certain administrative services (e.g. calculation of net asset value of the investments held by the Company). The existing administrator of the Company, HSBC Trustee (Cayman) Limited will cease its services on 2 August 2015.

### **Term of the New Administration Agreement**

The New Administration Agreement will continue in force until terminated by not less than 90 days' prior notice in writing by either the Company or the New Administrator.

### **Fees payable to the New Administrator**

Pursuant to the New Administration Agreement, the Company will pay to the Administrator, on submission of appropriate invoices: (a) an administration fee equal to 11bps (0.11%) per annum of the net asset value of the Company at each valuation day, subject to a minimum monthly fee USD7,500; and (b) a disbursement fee of 7% of the administration fee such as telephone, postage and other incidental costs incurred in performing the services set out in the New Administration Agreement.

The Board is of the view that the above mentioned administrative fee is in line with the prevailing market rates.

### **Information of the New Administrator**

Amicorp has significant experience, knowledge and understanding of the funds management industry and provides an expansive range of administrative services. They assist in all aspect of fund accounting, complex pricing and risk etc.

## **EXEMPTED CONTINUING CONNECTED TRANSACTION**

The New Custodian is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules. Accordingly, the transactions contemplated under the New Custodian Agreement constitutes continuing connected transactions for the Company under the Listing Rules.

The fees payable by the Company to the New Custodian for the services under the New Custodian Agreement are expected to fall below the de-minimis thresholds set out in Rule 14A.76(1) of the Listing Rules, and therefore exempted from disclosure and/or shareholders' approval requirements under the Listing Rules. The Company will comply with the applicable requirements for continuing connected transactions under the Listing Rules in force from time to time if the aggregate value of the fees payable to the New Custodian during its term of service in respect of each financial year of the Company exceeds the de-minimis thresholds as set out in Rule 14A.76(1) (or other applicable rules of the Listing Rules in force from time to time).

The Directors, including the independent non-executive Directors, are of the view that the New Custodian Agreement and the New Administration Agreement have been entered into on normal commercial terms and after arm's length negotiations and in the ordinary and usual course of business of the Company, and that the terms of the New Custodian Agreement and the New Administration Agreement are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

## **INFORMATION ON THE COMPANY**

The Company is an investment company listed under Chapter 21 of the Listing Rules. The investment objective of the Company is to achieve long-term capital appreciation through investing globally in both private and publicly listed enterprises that have demonstrated the ability to manufacture a product or deliver a service that is supported by the economies of mainland China, Hong Kong, Macau and Taiwan.

## **DEFINITIONS**

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

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| “Amicorp” or<br>“New Administrator”      | Amicorp Hong Kong Limited, a company incorporated in the Hong Kong with limited liability  |
| “Board”                                  | the board of Directors   |
| “Cash”                                   | cash in any currency   |
| “Company”                                | China New Economy Fund Limited (stock code: 80), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange  |
| “Deutsche Bank AG” or<br>“New Custodian” | Deutsche Bank AG Hong Kong Branch is a Registered Institution under Central Entity number AAK077 with respect to Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities), Type 6 regulated activity (advising on corporate finance) and Type 9 regulated activity (asset management) under the Securities & Futures Ordinance (Chapter 571 of the Laws of Hong Kong), and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) |
| “Director(s)”                            | director(s) of the Company   |
| “Hong Kong”                              | Hong Kong Special Administrative Region of the People's Republic of China  |
| “Listing Rules”                          | The Rules Governing the Listing of Securities on the Stock Exchange  |

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|--------------------------------|---|
| “New Administration Agreement” | the administration agreement entered into by the Company with the New Administrator for the provision of various administration services to the Company   |
| “New Custodian Agreement”      | the custodian agreement entered into by the Company with the New Custodian for the provision of custody services in respect of the Securities and Cash which the Company may from time to time deposit with the New Custodian   |
| “Securities”                   | including bonds, shares, units of mutual funds, futures, foreign exchange contracts, or other securities/instruments, and rights or property which may at any time accrue or be offered (by way of redemption, dividends, conversion, option or otherwise) in respect of any of the foregoing, and any certificates, options or other instruments (in registered or unregistered form) representing rights to receive, purchase or subscribe for any of the foregoing or representing any other rights or interests therein (including where constituted by an entry in the records of the issuer/depository) |
| “Share(s)”                     | ordinary issued share(s) of HK\$0.1 each in the capital of the Company  |
| “Shareholder(s)”               | holder(s) of the Share(s)   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong   |
| “USD”                          | the United States dollars, the lawful currency of the United States of America  |
| “%”                            | per cent.   |

On behalf of the Board  
**China New Economy Fund Limited**  
**Gu Xu**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 29 July 2015

*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 and Mr. HUANG Lianguai as independent non-executive Directors.*