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## **CHINA NEW ECONOMY FUND LIMITED**

### **中國新經濟投資有限公司**

*(Incorporated in the Cayman Islands as an exempted company with limited liability)*

**(Stock code: 80)**

## **PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE**

Reference is made to the announcements of China New Economy Fund Limited (the “**Company**”) dated 28 January 2015 and 5 March 2015 (the “**Announcement**”), respectively, and the circular of the Company dated 18 February 2015 (the “**Circular**”) in respect of, amongst other things, the proposed subscription of new shares under specific mandate and the notice of the extraordinary general meeting (the “**Notice of EGM**”) of the Company to be held on 9 March 2015 (the “**EGM**”) to consider and if thought fit, approve, amongst other things, the Subscription Agreement and the grant of specific mandate to allot and issue the Subscription Shares. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless the context requires otherwise.

As disclosed in the Announcement, the Board has decided that it is not in the best interests of the Company and its shareholders to proceed with the proposed subscription of new shares under specific mandate. After seeking legal advice on the arrangement regarding proposed resolution no. 1 as set out in the Notice of EGM to approve the Subscription Agreement and the specific mandate to allot and issue the Subscription Shares (the “**Resolution**”), the Company will put forward a motion at the EGM that the Resolution not be put to the EGM for consideration (the “**Motion**”).

Accordingly, at the beginning of the EGM, the chairman of the EGM will put forward the Motion.

Yours faithfully,

By Order of the Board

**China New Economy Fund Limited**

**Craig Blaser LINDSAY**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 6 March 2015

*As at the date of this announcement, the Board comprises Mr. Craig Blaser LINDSAY, Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors, Mr. LAM Chun Ho, Mr. Doyle Ainsworth DALLY, Mr. Faris Ibrahim Taha AYOUB and Mr. HUANG Lianguai as independent non-executive Directors.*