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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of China New Economy Fund Limited (the “**Company**”) for the year 2014 will be held at 1st Floor, Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Wednesday, 28 May 2014 at 10:00 a.m. to consider, approve and authorize the following matters:

ORDINARY RESOLUTIONS

To consider and, if thought fit, to pass the following as ordinary resolutions:

1. to receive, consider and adopt the audited financial statements, reports of the directors and auditors of the Company for the year ended 31 December 2013;
2. (a) to re-elect Mr. Craig Blaser Lindsay as an Executive Director of the Company;
(b) to re-elect Mr. Chan Cheong Yee as an Executive Director of the Company;
(c) to re-elect Mr. Siu Kam Chau as an Independent Non-executive Director of the Company;
(d) to re-elect Mr. Doyle Ainsworth Dally as an Independent Non-executive Director of the Company;
(e) to re-elect Mr. Arthur James Kay Stubbs as an Independent Non-executive Director of the Company;
(f) to re-elect Mr. Faris Ibrahim Taha Ayoub as an Independent Non-executive Director of the Company; and
(g) to authorize the Board of Directors to fix the remuneration of the respective Directors.
3. To re-appoint Ernst and Young as auditors of the Company and to authorize the Board of Directors to fix their remuneration;

4. to grant a further general mandate to the Directors to exercise the powers of the Company to allot and issue additional Shares and to repurchase Shares up to 10% of the aggregate nominal amount of the issued share capital of the Company via the following resolutions:

A. **“THAT:**

- i. The Board of Directors be and is hereby granted an unconditional general mandate to, during the Relevant Period (as defined in (iv) below), separately or concurrently allot and issue additional Shares of the Company or securities convertible into such Shares or options in accordance with the status quo of the market, including to decide on the class and number of Shares to be issued; the pricing mechanism and/or the issue price (or the range of issue price); the opening and closing date and time of such issue; the class and number of Shares to be issued and allotted to current shareholders of the Company; and/or to make any proposals, enter into any agreements or grant any share options or conversion rights which may involve the exercise of the power mentioned above.
- ii. The number of Shares issued and allotted or agreed conditionally or unconditionally to be issued and allotted (whether or not by way of the exercise of share options, conversion rights or by any other means) in accordance with (i) above shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution and the said approval shall be limited accordingly.
- iii. The Board of Directors may during the Relevant Period make any proposals, enter into any agreements or grant any share options or conversion rights which may involve the exercise, after the expiry of the Relevant Period of this mandate, of the power mentioned above.
- iv. For the purpose of this resolution 4A:

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

B. **“THAT:**

- i. Subject to paragraph (ii) below, the exercise by the Directors of the Company during the Relevant Period (as defined in (iii) below) of all the powers of the Company to repurchase its own shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or any other stock exchange on which the securities of the Company may

be listed and recognized by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- ii. The aggregate nominal amount of Shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution and the said approval shall be limited accordingly; and
- iii. For the purposes of this Resolution 4B:

“**Relevant Period**” means the period from the passing of this Resolution 4B until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; and
- (c) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting.”

C. **“THAT:**

the general mandate granted to the Directors of the Company to allot and issue additional shares pursuant to Ordinary Resolution set out in Resolution 4A be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution as set out in Resolution 4B, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company at the date of this Resolution.”

By Order of the Board
China New Economy Fund Limited
Craig Blaser Lindsay
Chairman and Chief Executive Officer

Hong Kong, 23 April 2014

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/ its behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
- (2) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority notarially certified, must be deposited at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
- (3) The Register of Members of the Company will be closed from Monday, 26 May 2014 to Wednesday, 28 May 2014, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, 23 May 2014.
- (4) Concerning Resolutions 4A and 4B, the Directors wish to state that they have no immediate plans to issue any new Shares or to repurchase any existing Shares pursuant to the relevant mandate.
- (5) All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
- (6) As at the date thereof, 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, Mr. STUBBS, Arthur James Kay and Mr. AYOUB, Faris Ibrahim Taha as independent non-executive directors.
- (7) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

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, Mr. STUBBS Arthur James Kay and Mr. AYOUB Faris Ibrahim Taha as independent non-executive directors.