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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

RESULTS

The board of Directors (the "Board") of China New Economy Fund Limited (the "Company") is pleased to announce the results of the Company for the year ended 31 December 2011 (the "Year"), together with the comparative figures for the period from 1 February 2010 (date of incorporation) to 31 December 2010, as follows:

STATEMENT OF COMPREHENSIVE INCOME

	Notes	**Year ended 31 December 2011** *HK$*	Period from 1 February 2010 (date of incorporation) to 31 December 2010 *HK$*
REVENUE	*4*	**7,824**	–
Net change in fair value of financial assets and liabilities at fair value through profit or loss	*5*	**(39,482,879)**	–
Other operating expenses		**(9,623,379)**	(555,377)
LOSS BEFORE TAX	*6*	**(49,098,434)**	(555,377)
Income tax expenses	*8*	**–**	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR/PERIOD ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY		**(49,098,434)**	(555,377)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*9*		
– Basic		**(0.16)**	(555,377)
– Diluted		**(0.16)**	N/A

STATEMENT OF FINANCIAL POSITION

	Notes	**31 December 2011** **HK$**	31 December 2010 HK$
CURRENT ASSETS			
Prepayment and other receivables		**582,448**	–
Prepaid listing expenses		**–**	24,057,317
Financial assets at fair value through profit or loss	*10*	**26,850,106**	–
Cash and cash equivalents		**211,661,841**	–
Total current assets		**239,094,395**	24,057,317
CURRENT LIABILITIES			
Other payables and accruals		**322,929**	19,372,317
Amount due to a related company		**392,501**	5,240,377
Total current liabilities		**715,430**	24,612,694
Net assets/(liabilities)		**238,378,965**	(555,377)
EQUITY			
Issued capital	*11*	**30,300,000**	–#
Reserves		**208,078,965**	(555,377)
Total equity		**238,378,965**	(555,377)
NET ASSET/(LIABILITY) VALUE PER SHARE		**0.79**	(555,377)

\# Less than HK$1

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). They have been prepared under the historical cost convention, except for the financial assets and liabilities at fair value through profit or loss which have been measured at fair values. These financial statements are presented in Hong Kong dollars ("HK$") except when otherwise indicated.

2.1. IMPACT OF REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The accounting policies adopted are consistent with those of the previous financial year, except for the following amended IFRSs effective as of 1 January 2011:

IAS 24	*Related Party Disclosures (amendment)* effective 1 January 2011
IAS 32	*Financial Instruments: Presentation (amendment)* effective 1 February 2010
Improvements to IFRSs (May 2010) effective either 1 July 2010 or 1 January 2011	Amendments to a number of IFRSs issued in May 2010

The adoption of the standards described below:

IAS 24 *Related Party Transactions (Amendment)*

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Company.

IAS 32 *Financial Instruments: Presentation (Amendment)*

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Company because the Company does not have these types of instruments.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the Company.

- IFRS 7 *Financial Instruments-Disclosures*: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

2.2. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective up to the date of issuance of the Company's financial statements are listed below. These standards issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

IAS 1 *Financial Statement Presentation – Presentation of Items of Other Comprehensive Income*

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendments affect presentation only and have therefore no impact on the Company's financial position or performance. The amendments become effective for annual periods beginning on or after 1 July 2012.

IFRS 7 *Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements*

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Company's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on the Company's financial position or performance.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and performance. This standard becomes effective for annual periods beginning on or after 1 January 2013.

3. OPERATING SEGMENT INFORMATION

During the year ended 31 December 2011, all of the Company's investments are equity securities listed either on the Hong Kong Stock Exchange or the New York Stock Exchange. For management purposes, the Company is organised into one main operating segment, which invests mainly in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the other. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements as a whole.

The Company had not commenced operating during the period from 1 February 2010 (date of incorporation) to 31 December 2010 and no segment analysis by investment type and geographical location was provided.

4. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December 2011 *HK$*	Period from 1 February 2010 (date of incorporation) to 31 December 2010 *HK$*
Bank interest income	**7,824**	–

5. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December 2011	Period from 1 February 2010 (date of incorporation) to 31 December 2010
	HK$	*HK$*
Net realised loss on financial assets at fair value through profit or loss	**(778,960)**	–
Net unrealised loss on financial assets at fair value through profit or loss	**(40,862,135)**	–
Net realised gain on financial liabilities at fair value through profit or loss	**2,233,387**	–
Net exchange losses	**(75,171)**	–
	(39,482,879)	–

6. LOSS FOR THE YEAR/PERIOD

The Company's loss for the Year/period is arrived at after charging:

	Year ended 31 December 2011	Period from 1 February 2010 (date of incorporation) to 31 December 2010
	HK$	*HK$*
Investment management fee (note 7)	**5,219,572**	–
Net exchange losses	**75,171**	–
Auditors' remuneration	**277,000**	60,000
Legal and professional fees	**830,674**	466,877

7. FEES

Administration fee

HSBC Trustee (Cayman) Limited (the "Administrator") is entitled to receive an administration fee which is calculated at each valuation day at the following rates:

First HK$800 million of net asset value	0.140% per annum
Next HK$1,200 million of net asset value	0.125% per annum
On the remainder of net asset value	0.110% per annum

The administration fee is subject to a monthly minimum fee of HK$73,000 (reduced by 50% in the first six months after listing) and is payable monthly in arrears. The administration fee for the Year was HK$651,113 (2010: Nil). As at 31 December 2011, an administration fee of HK$73,000 (2010: Nil) was payable to the Administrator.

Valuation fee

The Administrator is also entitled to a fee of HK$8,000 per additional valuation. This is payable on a monthly basis for a calculation of the Company's net asset value on an ad-hoc basis. No valuation fee was charged for the Year (2010: Nil). As at 31 December 2011, no valuation fees was payable to the Administrator (2010: Nil).

Custodian fee

HSBC Institutional Trust Services (Asia) Limited (the "Custodian") is entitled to receive a custodian fee which is calculated at each valuation day at the following rates:

First HK$800 million of net asset value	0.040% per annum
Next HK$1,200 million of net asset value	0.035% per annum
On the remainder of net asset value	0.030% per annum

The custodian fee is subject to a monthly minimum fee of HK$15,000 (reduced by 50% in the first six months after listing) and is payable monthly in arrears.

The custodian fee for the Year is HK$144,448 (2010: Nil). As at 31 December 2011, a custodian fee of HK$15,000 (2010: Nil) was payable to the Custodian.

Management fee

The Investment Manager is entitled to a management fee accruing monthly at the annual rate of 2% of the net asset value of the Company on each valuation day and payable monthly in arrears.

The management fee for the Year was HK$5,219,572 (2010: Nil). As at 31 December 2011, a management fee of HK$392,501 was payable to the Investment Manager (2010: Nil).

Performance fee

The Investment Manager is entitled to receive a performance fee at the rate of 20% per annum of the net increase in the net asset value per share on the immediately preceding valuation date, above the previous highest net asset value per share on any preceding valuation date in respect of which a performance fee was last paid (or where no performance fee has been paid, the aggregate placing price of the shares subscribed at the listing date) multiplied by the number of shares in issue at the time of calculating the performance fee. The performance fee is payable semi-annually in arrears. No performance fee was charged for the Year (2010: Nil). As at 31 December 2011, no performance fee was payable to the Investment Manager (2010: Nil).

8. TAXATION

Cayman Islands

Under the current Cayman Islands law, there are no income tax, corporation tax, capital gains tax or any other kinds of tax on profits or gains or tax in the nature of estate duty or inheritance tax currently in effect.

The Company received an undertaking from the Governor-in-Council of the Cayman Islands to the effect that, for a period of twenty years from the date of the undertaking, no law that is hereafter enacted in the Cayman Islands imposing any tax on income will be levied on the Company.

Hong Kong

No provision for Hong Kong profits tax has been made as the Company did not generate any assessable profits in Hong Kong during the Year (2010: Nil).

PRC

No provision was made for taxation in the financial statements as the Company did not generate any PRC sourced income during the Year (2010: Nil).

9. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic loss per share amount is based on the Company's loss for the Year attributable to the ordinary equity holder of HK$49,098,434 (2010: HK$555,377) and the weighted average number of ordinary shares in issue during the Year of 298,849,315 (2010: 1 ordinary share). No adjustment has been made to the basic loss per share amount presented for the year ended 31 December 2011 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during the Year (2010: Nil).

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2011 *HK$*	31 December 2010 *HK$*
Financial assets held for trading, at fair value:		
Listed equity securities – Hong Kong	**12,979,050**	–
Listed equity securities – The United States	**13,871,056**	–
	26,850,106	–

The fair value of the listed equity securities are determined based on the quoted market bid prices available on the relevant stock exchanges at the end of the reporting period.

The equity securities listed in the United States represent the ordinary shares of a company (the "Entity") acquired by the Company (the "Shares") prior to an initial public offering of the Entity on a relevant stock exchange (the "IPO") pursuant to a subscription agreement dated 15 April 2011. The IPO was completed in May 2011. The Shares were subject to a lock-up period ending 180 days after the date of the final prospectus relating to the IPO (the "Lock-up Period"). The Shares may be sold in secondary market transactions over the relevant exchange upon the expiration of the Lock-up Period, subject to certain conditions set forth in section Rule 144 of the Securities Act in the United States. During the Year, the shares were registered and the Lock-up Period ended on 1 November 2011.

Net unrealised loss on financial assets held for trading of HK$40,862,135 (2010: Nil) has been recognised in profit or loss in the statement of comprehensive income.

11. ISSUED CAPITAL

	31 December 2011 *HK$*	31 December 2010 *HK$*
Authorised:		
776,000,000 ordinary shares (2010: 776,000,000 ordinary shares) of HK$0.1 each	**77,600,000**	77,600,000
Issued and fully paid:		
303,000,000 ordinary shares (2010: 1 ordinary share) of HK$0.1 each	**30,300,000**	–

The Company was incorporated on 1 February 2010 with an initial authorised share capital of HK$388,000 divided into 3,880,000 ordinary shares of HK$0.1 each. Pursuant to an ordinary resolution passed on 26 July 2010, the authorised share capital of the Company was increased from HK$388,000 to HK$77,600,000 by the creation of 772,120,000 ordinary shares of HK$0.1 each, ranking pari passu in all respects with the existing share capital of the Company.

On incorporation, one ordinary share of HK$0.1 each was issued at par for cash to Mr. Wang Junyan, an executive director of the Company (the "Subscriber Share"). As at 31 December 2010, such issued share of the Company amounting to HK$0.1 is rounded to the nearest dollar and therefore presented as nil in the financial statements.

On 6 January 2011, a total of 303,000,000 ordinary shares of HK$0.1 each (the "Placing Shares") were placed at a price of HK$1.03 per share for a total cash consideration, before the related issue expenses, of HK$312,090,000. The issued and fully paid capital of the Company was increased to HK$30,300,000 and resulted in a share premium of HK$281,790,000, before deducting the share placement expenses of HK$24,057,224. The Subscriber Share was transferred to the lead placing agent of the Placing and then forms part of the Placing Shares for subscription under the Placing. The Subscriber Share has no special rights that distinguish it from any other of the Placing Shares. The Placing Shares are not redeemable at the discretion of the shareholders. The net proceeds of the Placing, after deduction of the start-up costs of the Company, were subsequently applied by the Investment Manager in making investments according to the investment objectives, policies and restrictions of the Company and the requirements of the articles of association of the Company (the "Articles"), the Listing Rules and the Investment Management Agreement. Any proceeds not deployed will be placed on bank deposits or invested in money market instruments or money market funds.

Dealings in the shares of the Company on the Stock Exchange commenced on 6 January 2011. After listing, no director of the Company or the Investment Manager, or the Investment Manager itself, will hold any shares in the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

On behalf of the board of directors ("Directors") of China New Economy Fund Limited (the "Company"), I take pleasure in presenting to you the Company's annual results for the Year.

The Company is a closed-ended investment company established on 1 February 2010. By investing globally in both private and public enterprises supported by the new economies of Greater China, the Company is devoted to achieving long term capital appreciation for professional investors.

Investment Review

Looking into 2012, market volatility will not differ much from 2011 and we see this as new growth points which will provide us great opportunities. For example, we expect the aerospace, aviation, environmental protection and shale gas industries, will provide the next phase of growth for the Chinese economy and stock markets. We will continue to look for good investment opportunities and will not hesitate to make a move when time is appropriate. With our excellent investment and risk management team, we believe it will be another productive year for both our investors and our team.

Following the successful listing of the Company on the Main Board of the Stock Exchange on 6 January 2011, the Company held three investments in listed companies on 31 December 2011. The largest one is in a social networking internet platform focusing on the mainland China market.

Details of the Company's investments in listed companies are as follows:

At 31 December 2011

Listed equity securities – Hong Kong

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) (Note 1)	Net assets attributable to the Company (Note 2)
				HK$'000	*HK$'000*	*HK$'000*	
(a) Dongjiang Environment Company Limited	The People's Republic of China	306,900 H shares of RMB 1 each	0.86%	7,886	7,519	(367)	RMB7.24 millions
(b) HKT Trust and HKT Limited	Hong Kong	1,200,000 shares	0.019%	5,436	5,460	24	HK$3.82 millions

Listed equity securities – The United States

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost	Market value	Unrealised gain/(loss) (Note 1)	Net assets attributable to the Company (Note 2)
				HK$'000	*HK$'000*	*HK$'000*	
(c) Renren Inc.	The Cayman Islands	500,000 ordinary shares of US$0.001 each	0.043%	54,390	13,871	(40,519)	US$524,516

Notes:

(1) The unrealised gain/(loss) represented the changes in fair value of the respective investments during the Year.

(2) The calculation of net assets attributable to the Company is based on the latest published interim reports or prospectus of the respective investments at the end of the reporting period.

A brief description of the business and financial information of the investments is as follows:

(a) Dongjiang Environment Company Limited ("Dongjiang Environment") is principally engaged in environmental protection industry. No dividend was received during the year ended 31 December 2011. The unaudited profit attributable to shareholders of Dongjiang Environment for the period ended 30 June 2011 was approximately RMB99 million and the unaudited net assets attributable to shareholders of Dongjiang Environment at 30 June 2011 was approximately RMB842 million. The fair value of the investment in Dongjiang Environment is based on quoted market bid prices.

(b) HKT Trust and HKT Limited ("HKT") is principally engaged in the provision of integrated telecommunications service. No dividend was received during the year ended 31 December 2011. The audited profit attributable to shareholders of HKT for the period ended 30 June 2011 was approximately HK$537 million and the audited net assets attributable to shareholders of HKT as at 30 June 2011 was approximately HK$19,937 million. The fair value of the investment in HKT is based on quoted market bid prices.

(c) Renren Inc. is principally engaged in the provision of social networking internet platform in China. No dividend was received during the year ended 31 December 2011. The unaudited loss attributable to shareholders of Renren Inc. for the period ended 30 September 2011 was approximately US$1.2 million and the unaudited net assets attributable to shareholders of Renren Inc. at 30 September 2011 was approximately US$1,219 million. The fair value of the investment in Renren Inc. is based on quoted market bid prices.

The Company reported a net loss attributable to shareholders of HK$49,098,434 during the Year. Amid the decline of the global and China markets during the Year, the Company reported a net asset value of approximately HK$0.79 per share as at 31 December 2011. The net asset value of the Company decreased during the Year due to unrealised mark to market losses taken on the investment positions in the portfolio. The Company will continue to monitor the investments carefully and expect improvement in its valuations as market conditions improve.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

The Company has obtained stock borrowing facilities during the Year. As at 31 December 2011, the Company did not have any stock borrowings.

The Company has maintained a sufficient cash position which will allow it to capture opportunities with good upside when the opportunities present themselves in both listed and private equities.

As at 31 December 2011, the gearing ratio, defined as total borrowings divided by shareholder's equities, was nil (31 December 2010: Nil). The Company does not have any borrowing as at 31 December 2011(31 December 2010: Nil).

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2010: Nil).

CHARGES ON COMPANY'S ASSET AND CONTINGENT LIABILITIES

There were no other charges on the Company's assets or significant contingent liabilities as at 31 December 2011(31 December 2010: Nil).

CAPITAL STRUCTURE

On 6 January 2011, the Company completed a share placement and a total of 303,000,000 ordinary shares of HK$0.1 each were placed at a price of HK$1.03 per share for a total cash consideration, before the related issue expenses, of HK$312,090,000.

CAPITAL EXPENDITURE AND COMMITMENT

During the Year, the Company made no capital expenditures or any other commitments.

MATERIAL ACQUISITION AND DISPOSAL

During the Year, the Company did not acquire any subsidiaries or associated companies.

USE OF PROCEEDS

The Company has made eight investments in listed companies during the Year. The largest one is in a social networking internet platform focusing on the mainland China market.

The rest of the net proceeds will be applied by the Investment Manager in making investments according to the investment objective, policies and restrictions of the Company and the requirements of the Articles, the Listing Rules and the investment management agreement. Any proceeds not deployed are placed on bank deposits or invested in money market instruments or money market funds.

EMPLOYEES

As at 31 December 2011, the Company had no employees but have three executive Directors and three independent non-executive Directors. The Company does not have a share option scheme.

FOREIGN CURRENCY FLUCTUATION

The Board believes that foreign exchange risks are minimal as the Company mainly uses the Hong Kong or United States dollar to carry out its business transactions.

PROSPECT

2012 will be a challenging year but we see it as our opportunity. It should not come as a surprise to see there will be a number of industries facing an over-supply and de-stocking cycle. That means this decade's business up cycle ended in September 2011 and, in our view, we will go into a three year business down cycle. During this cycle, cyclical companies will become very difficult to operate and we will see a substantial number of companies going out of business which has not been seen in China for over the past ten years.

The current stagnant stock market gives us a great opportunity to accumulate these next stage winners at very attractive valuations. We will not hesitate to own these businesses when the valuations are attractive to us.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not purchased, sold or redeemed any of the Company's shares during the Year.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code of Corporate Governance Practices (the "CG Code") in Appendix 14 to the Listing Rules throughout the Year, save and except for code provision A.4.1 of the CG Code which states that the non-executive directors should be appointed for a specific term, subject to re-election.

None of the existing independent non-executive Directors is appointed for a specific term. However, one third of the independent non-executive Directors for the time being shall retire by rotation (provided that every independent non-executive Director shall be subject to retirement at least once every three years) and be eligible for re-election at the annual general meeting of the Company. As such, even though each independent non-executive Director is not appointed for a specific term, his term of office is the period up to his retirement by rotation which is in accordance with Code A.4.2 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiry to all the Directors of the Company, all the Directors confirmed that they have complied with the required standard of dealings as set out in the Model Code throughout the Year.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive directors, namely Mr. Siu Kam Chau, Professor Xu Yangsheng, and Mr. Doyle Ainsworth Dally. The Audit Committee has reviewed the Company's financial controls, internal control and risk management systems and the financial and accounting policies and practices. The audited annual report of the Company for the Year have been reviewed by the Audit Committee of the Company.

CLOSURE OF REGISTER OF MEMBERS

The Board hereby announces that the register of members of the Company will be closed from 22 May 2012 to 24 May 2012, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the attendance of the forthcoming annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shop 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 21 May 2012.

By order of the Board
China New Economy Fund Limited
Craig Blaser Lindsay
Executive Director

Hong Kong, 9 March 2012

As at the date of this announcement, the executive Directors are Mr. Craig Blaser Lindsay, Mr. Wang Junyan and Mr. Gu Xu; and the independent non-executive Directors are Mr. Siu Kam Chau, Professor Xu Yangsheng and Mr. Doyle Ainsworth Dally.