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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)

TERMINATION OF 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, 5 March 2015, 6 March 2015 and 9 March 2015, 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. Capitalised terms used in this announcement shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 12 March 2015, the Company and the Subscriber have entered into a deed of termination (the “**Deed**”) pursuant to which the parties agreed that the Subscription Agreement shall be terminated and be of no further force and effect.

The Directors believe that the termination of the Subscription Agreement will have no material adverse impact on the existing operation of the Company.

Yours faithfully,

By Order of the Board

China New Economy Fund Limited

Craig Blaser LINDSAY

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 12 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 Liangkuai as independent non-executive Directors.