

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares.*

*Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and Hong Kong Securities Clearing Company Limited (“HKSCC”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*Unless otherwise defined herein, terms defined in the offering memorandum in connection with the placing of the shares (the “Offering Memorandum”) dated 31 December 2010 shall have the same meanings when used in this announcement.*

## **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 and registered no. MC-236635)*

### **LISTING BY WAY OF PLACING ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

**Number of Placing Shares : 303,000,000 Shares**  
**Placing Price : HK\$1.03 per Share (excluding brokerage of 0.5%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%)**  
**Nominal Value : HK\$ 0.10 per Share**  
**Stock Code : 80**

#### **Investment Manager**



CITIC Securities International Investment Management (HK) Limited

#### **Sponsor**



China Everbright Capital Limited

#### **Lead Placing Agent**



China Everbright Securities (HK) Limited

#### **Placing Agents**

China Everbright Securities (HK) Limited  
CITIC Securities Brokerage (HK) Limited  
First Shanghai Securities Limited  
Fordjoy Securities and Futures Limited  
GF Securities (Hong Kong) Brokerage Limited  
Kingston Securities Limited  
Sun Hung Kai International Limited

## SUMMARY

- 303,000,000 Shares have been conditionally allocated to a total of 348 Professional Investors.
- Upon completion of the Placing, 303,000,000 Shares, representing 100% of the issued share capital of the Company, will be held by placees; and no director or connected person of the Company or the Investment Manager or the Investment Manager itself, will hold any Shares.
- Dealings in the Shares on the Stock Exchange are expected to commence at 9:30 a.m. on Thursday, 6 January 2011.

## USE OF NET PROCEEDS FROM THE PLACING

Based on a total of 303,000,000 Placing Shares being placed with Professional Investors and the Placing Price of HK\$1.03 per Share, the net proceeds from the Placing, after deduction of the Start Up Costs of approximately HK\$25.5 million, are estimated to be approximately HK\$286.6 million.

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 will be placed on bank deposit or invested in money market instruments or money market funds.

## RESULTS OF ALLOCATION

Pursuant to the Placing, 303,000,000 Shares have been conditionally allocated to a total of 348 Professional Investors. The distribution of the Placing Shares is set out as below:

	<b>Aggregate number of Placing Shares allocated</b>	<b>Aggregate approximate percentage of the total number of Placing Shares allocated</b>
Top 2 placees ( <i>Note</i> )	60,000,000	19.80%
Top 5 placees	101,900,000	33.63%
Top 10 placees	125,900,000	41.55%
Top 25 placees	141,400,000	46.67%

<b>Number of Placing Shares allocated</b>	<b>Number of Placees</b>
500,000	322
500,001 to 2,000,000	17
2,000,001 to 10,000,000	4
10,000,001 to 20,000,000	3
20,000,001 or above ( <i>Note</i> )	2
Total	<u>348</u>

*Note:* 30,000,000 Shares was being allocated to each of the top two placees.

## SHAREHOLDING STRUCTURE

Upon completion of the Placing, 303,000,000 Shares, representing 100% of the issued share capital of the Company, will be held by placees; and no director or connected person of the Company or the Investment Manager or the Investment Manager itself, will hold any Shares.

The Sponsor and the Placing Agents and their respective affiliated companies and connected clients (as set out in Appendix 6 of the Listing Rules) have not taken up any Placing Shares for its own benefit under the Placing. None of the Placing Shares were allocated to placees who are connected persons or directors or existing shareholder (or their associates) of the Company and its associates (as such terms are defined in the Listing Rules). None of the placees under the Placing will become a substantial shareholder (as defined in the Listing Rules) of the Company after the Placing. The Directors confirm that the Placing is in the compliance with the Placing Guidelines for Equity Securities as set out in Appendix 6 of the Listing Rules.

## MINIMUM SUBSCRIPTION SIZE

Pursuant to Rule 21.14 of the Listing Rules, the minimum subscription size per placee is 500,000 Placing Shares (HK\$515,000) and thereafter in integral multiples of the board lot size of 100,000 Shares (HK\$103,000) (excluding brokerage of 0.5%, SFC transaction levy of 0.003% and Stock Exchange trading fee of 0.005%).

## DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange, and the compliance by the Company with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The share certificates are expected to be deposited into CCASS on Wednesday, 5 January 2011 for credit to the respective CCASS Participants' stock accounts designated by the placees. The Company will not issue any temporary documents of title and no receipt will be issued for application monies paid.

**Prospective investors should note that the obligations of the Placing Agents under the Placing Agreement are subject to termination by the Lead Placing Agent (on behalf of the Placing Agents) and the Sponsor if certain grounds arise prior to 8:00 a.m. (Hong Kong time) on the day that trading in the Placing Shares commences on the Stock Exchange. Such grounds are set out in the paragraph entitled "Grounds for termination" in the section entitled "Structure of the Placing" in the Offering Memorandum. In the event that the Placing and the Placing Agreement are terminated, an announcement will be published by the Company on the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.chinaneweconomyfund.com](http://www.chinaneweconomyfund.com).**

## COMMENCEMENT OF DEALINGS

Dealings in the Shares on the Stock Exchange are expected to commence at 9:30 a.m. on Thursday, 6 January 2011. The Shares will be traded in board lots of 100,000 Shares.

By order of the Board of  
**China New Economy Fund Limited**  
**Craig B. Lindsay**  
*Chairman and Executive Director*

Hong Kong, 5 January 2011

*As at the date of this announcement, the Executive Directors are Mr. Wang Junyan, Mr. Craig B. Lindsay and Mr. Gu Xu and the Independent Non-Executive Directors are Mr. Siu Kam Chau, Professor Xu Yangsheng and Mr. Doyle A. Dally.*