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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 Limited (the “**Company**”) for the year 2012 will be held at 16th Floor, Chuang’s Tower, 30-32 Connaught Road Central, Hong Kong on Thursday, 7 June 2012 at 10:00 a.m. to consider, approve and authorise 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 Board of Directors and auditors of the Company for the year ended 31 December 2011;
2. (i) to re-elect the following retiring Directors:
  - (a) Mr. Wang Junyan as an executive Director of the Company; and
  - (b) Mr. Siu Kam Chau as an independent non-executive Director of the Company.
2. (ii) to authorise the Board of Directors to fix the Directors’ remuneration;
3. To re-appoint Ernst and Young as auditors of the Company and 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 law 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 recognised 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 per cent. of the aggregate nominal amount of the share capital of the Company in issue on 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 law 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 per cent 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*

Hong Kong, 27 April 2012

*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. 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 office of the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited's registered office at Shops 1712-1716, 17th 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.
- (3) The Register of Members of the Company will be closed from Tuesday, 5 June 2012 to Thursday, 7 June 2012, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for the entitlement to the proposed final dividend and for attending and voting at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's 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 Monday, 4 June 2012.
- (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) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.

*The directors of the Company as at the date of this announcement are Mr. WANG Junyan, Mr. LINDSAY Craig Blaser and Mr. GU Xu as executive directors, Mr. SIU Kam Chau, Professor XU Yangsheng and Mr. DALLY Doyle Ainsworth as independent non-executive directors.*