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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 2011 will be held at 16th Floor, Chuang’s Tower, 30-32 Connaught Road Central, Hong Kong on Wednesday, 18 May 2011 at 9:30 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 period from 1 February 2010 (date of incorporation) to 31 December 2010;
2. (i) to re-elect the following retiring Directors:
  - (a) Mr. Craig Blaser Lindsay as an executive Director of the Company; and
  - (b) Mr. Doyle Ainsworth Dally 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 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 share capital of the Company as at the date of this resolution.
- iii. The Board of Directors may 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, 31 March 2011

*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.
- (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 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.
- (3) 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.

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