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China New Economy Fund Limited

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR OF THE COMPANY

1. PROVISIONS IN THE COMPANY'S AMENDED AND RESTATED ARTICLES OF ASSOCIATION

- 1.1 The provisions for a shareholder to propose a person for election as a director of the Company (the "Director(s)") are laid down in Articles 34.3 of Amended and Restated Articles of Association:

No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registered Office; provided, that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the dispatch of the notice of the general meeting appointed for such election) the period for lodgement of such Notice(s) shall commence on the date after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

2. REQUIREMENTS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "LISTING RULES")

- 2.1 Pursuant to the Listing Rules, the Company shall:

- publish an announcement or issue a supplementary circular upon receipt of a notice from a shareholder to propose a person for election as a Director at the general meeting where such notice is received by the Company after publication of the notice of general meeting;
- include in the announcement or supplementary circular the particulars required under Rule 13.51(2) of the Listing Rules of such person proposed to be elected as a Director;
- publish such announcement or supplementary circular not less than 10 business days before the date of the relevant general meeting; and
- assess whether or not it is necessary to adjourn the meeting of the election to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or supplementary circular.

- 2.2 Pursuant to the Rule 21.04(1) of the Listing Rules, the Exchange must be satisfied as to the fitness and competence of the Director.

3. PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

- 3.1. If a shareholder wishes to propose a person (the “Candidate”) for election as a Director at a general meeting, he/she shall deposit a written notice (the “Notice”) at the Company’s headquarters in Hong Kong at 17/F, Chuang’s Tower, 30-32 Connaught Road Central, Central, Hong Kong.
- 3.2. The Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules and his/her contact details; and (ii) must be signed by the shareholder concerned including the information/documents to verify the identity of the shareholder and signed by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal data.
- 3.3. The period for lodgement of the Notice shall commence no earlier than the date after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.
- 3.4. In order to ensure the Company’s shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a Director without adjourning the general meeting, shareholders are urged to submit and lodge the Notice as soon as practicable, say at least 15 business days prior to the date of the general meeting appointed for such election.

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