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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)**

### **CHANGE OF CUSTODIAN**

Bank of Communications Trustee Limited has been appointed as the new custodian of the Company.

#### **APPOINTMENT OF NEW CUSTODIAN**

The Company has entered into the New Custodian Agreement with the New Custodian under which the Company has agreed to appoint the New Custodian, and the New Custodian has agreed to act as custodian to the Company to provide custody services to the Company. The existing custodian of the Company, Deutsche Bank AG Hong Kong Branch, has ceased its service on 15 August 2019.

#### **TERM OF THE NEW CUSTODIAN AGREEMENT**

The New Custodian Agreement will continue in force until terminated by not less than 30 days' prior notice in writing by either the Company or the New Custodian.

#### **FEES PAYABLE TO THE NEW CUSTODIAN**

Pursuant to the New Custodian Agreement, a custody fee at 4 bps (0.04%) per annum of the net asset value of the portfolio of the Company at each month end, subject to a minimum of HKD12,500 per month are payable by the Company.

The Board is of the view that the custody fee is in line with the prevailing market rates.

#### **INFORMATION OF THE NEW CUSTODIAN**

The New Custodian has more than 30 years comprehensive experience in trust and retirement scheme management. It is a wholly owned subsidiary of Bank of Communications Co., Ltd. The New Custodian is licensed under Trust and Company Service Providers (No. TC003971) and is also a member of the Central Moneymarkets Unit operated by the Hong Kong Monetary Authority.

The New Custodian is currently acting as a custodian for National Investments Fund Limited (Stock Code: 1227) and China Financial International Investments Limited (Stock Code: 721) and was a custodian for Global Mastermind Capital Limited (Stock Code: 905), all of these companies are listed on the Main Board of the Stock Exchange under Chapter 21 of the Listing Rules.

## **EXEMPTED CONTINUING CONNECTED TRANSACTION**

The New Custodian is regarded as a connected person of the Company under Rule 14A.08 of the Listing Rules. Accordingly, transactions contemplated under the New Custodian Agreement will, upon the New Custodian Agreement becoming effective, constitute ongoing connected transactions for the Company under the Listing Rules.

The fees payable by the Company to the New Custodian for the services under the New Custodian Agreement are expected to fall below the de-minimis thresholds set out in Rule 14A.76(1) of the Listing Rules. The New Custodian Agreement is accordingly exempted from disclosure and/or shareholders' approval requirements under the Listing Rules. The Company will comply with the applicable requirements for connected transactions under the Listing Rules in force from time to time and disclose full details by way of announcement and/or obtain prior approval from the Shareholders if the aggregate value of the fees payable to the New Custodian during its term of service in respect of each financial year of the Company exceeds the de-minimis thresholds as set out in Rule 14A.76(1) or other applicable rules of the Listing Rules in force from time to time.

The Directors, including the independent non-executive Directors, are of the view that the New Custodian Agreement has been entered into on normal commercial terms and after arm's length negotiation and in the ordinary and usual course of business of the Company, and that the terms of the New Custodian Agreement are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

## **INFORMATION ON THE COMPANY**

The Company is an investment company listed under Chapter 21 of the Listing Rules. The investment objective of the Company is to achieve long-term capital appreciation through investing globally in both private and publicly listed enterprises that have demonstrated the ability to manufacture a product or deliver a service that is supported by the economies of mainland China, Hong Kong, Macau and Taiwan.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Cash”	funds in any currency
“Company”	China New Economy Fund Limited (stock code: 80), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Custodian”	Bank of Communications Trustee Limited
“New Custodian Agreement”	the custodian agreement entered into by the Company with the New Custodian for the provision of custody services in respect of the Securities and Cash which the Company may from time to time deposit with the New Custodian
“Securities”	including stocks, shares, bonds, debentures, debt securities (convertible and non-convertible) notes, unit trusts, mutual funds or any interest in a collective investment scheme, or other securities and certificates, receipts, depository receipts, warrants, scripts or other instruments representing rights to receive, purchase or subscribe for the same, or evidencing or representing any other rights or interests therein
“Share(s)”	ordinary issued share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

On behalf of the Board

**China New Economy Fund Limited**

**Gu Xu**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 15 August 2019

*As at the date of this announcement, the Directors of the Company are Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors, and Mr. LEUNG Wai Lim, Mr. CHONG Ching Hoi and Mr. SUN Boquan as independent non-executive Directors.*