

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited 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.

This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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)

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Reference is made to the announcement of China New Economy Fund Limited (the “**Company**”) dated 8 October 2021 (the “**Announcement**”) in relation to the Placing. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

COMPLETION OF PLACING

The Board is pleased to announce that the condition of the Placing has been fulfilled and the completion of the Placing took place on 2 November 2021. A total of 144,035,814 Placing Shares have been successfully placed by the Placing Agent to not less than six Placees at the Placing Price of HK\$0.162 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

To the best knowledge, information and belief of the Company having made such reasonable enquiry and as informed by the Placing Agent, one of the Placee, Kingsway Lion Spur Technology Limited (“**KLSTL**”) who subscribed for 64,165,814 Placing Shares is a shareholder of the Company beneficially interested in 69,715,000 Shares immediately prior to the completion of the Placing. Save as KLSTL, all other Placees and their respective ultimate beneficial owner(s) are Independent Third Parties.

EFFECTS ON SHAREHOLDING STRUCTURE

The 144,035,814 Placing Shares represent (i) 20% of the issued share capital of the Company immediately before the completion of the Placing; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

Set out below is the shareholding structure of the Company immediately before and upon the completion of the Placing:

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

Shareholders	As at the date of this announcement		Immediately after Completion assuming all the Placing Shares has been placed out	
	Number of Shares	Approximate percentage of shareholding %	Number of Shares	Approximate percentage of shareholding %
<i>Director</i>				
Wang Dingben	68,330,000	9.49	68,330,000	7.91
<i>Placees</i>				
KLSTL (Note 1)	69,715,000	9.68	133,880,814	15.49
Other Placees	–	–	79,870,000	9.24
<i>Other Shareholders</i>				
Other Public Shareholders	582,134,073	80.83	582,134,073	67.36
Total	720,179,073	100.00	864,214,887	100.00

Note:

1. To the best information, knowledge and belief of the Directors, KLSTL is a wholly owned subsidiary of Festival Developments Limited (“FDL”). FDL in turn is wholly owned by Sunwah Kingsway Capital Holdings Limited (“SKCHL”). Mr. Choi Koon Shum (“Mr. Choi”) is holding 54.83% of the issued share capital of SKCHL. Immediately prior to the completion of the Placing, KLSTL owns 69,715,000 Shares and KLSTL was one of the Placcee having subscribed for 64,165,814 Placing Shares at the Placing.

The gross proceeds from the Placing are approximately HK\$23.33 million. The net proceeds, after the deduction of the placing commission and other related expenses, are approximately HK\$22.93 million, representing a net issue price of approximately HK\$0.159 per Placing Share.

As disclosed in the Announcement, the Company intends to use the net proceeds arising from the Placing as to 80% for future investments and business development pursuant to the investment objectives of the Company and as to 20% for the general working capital of the Company to meet the running expenses of the Company such as rental and staff costs for the coming six months. It is the present intention of the Board that the funds shall be invested in value stocks including but not limited to finance and technology sectors with discount in price due to recent market sentiment but with growth potential, subject to further evaluation and advice from the Company's investment manager.

On behalf of the Board
China New Economy Fund Limited
GU Xu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 2 November 2021

As at the date of this announcement, the Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors; Mr. WANG Dingben and Mr. CHOW Yeung Tuen Richard as non-executive Directors; Mr. LEUNG Wai Lim, Mr. SUN Boquan and Mr. CHONG Ching Hoi as independent non-executive Directors.