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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)

COMMENCEMENT OF DEALING IN THE SHARES ON AN EX-RIGHT BASIS

Reference is made to the announcement (the “**Announcement**”) of China New Economy Fund Limited (the “**Company**”) dated 7 January 2022 in relation to the proposed rights issue of the Company on the basis of one (1) Rights Share for every two (2) Shares held on a non-underwritten basis. Terms defined in the Announcement shall have the same meaning in this announcement unless otherwise define or the context otherwise require.

The Rights Issue will proceed in accordance with the timetable as stated in the Announcement. Pursuant to the expected timetable, the last day of dealings in the Shares on a cum-right basis will be Thursday, 13 January 2022 and the first day of dealing in the Shares on an ex-right basis will be Friday, 14 January 2022.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon fulfilment of the conditions set out in the Announcement, including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and the Placing Agreement not being terminated. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or potential investors contemplating selling or purchasing the Shares and/or the nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

CLARIFICATION

The Company also wishes to supplement that there were typographical errors on page 5 of the Announcement. The Subscription Price represents a discount of approximately 20.6% to the theoretical ex-right price of approximately HK\$0.2267 per Share (instead of a discount of approximately 23.3% to the theoretical ex-rights price of approximately HK\$0.2347 per Share as stated in the Announcement) based on the closing price of HK\$0.25 per Share as quoted on the Stock Exchange on the Last Trading Day.

Save as disclosed above, all information and contents set out in the Announcement remain correct.

By order of the Board
China New Economy Fund Limited
Gu Xu
Chief Executive Officer and Executive Director

Hong Kong, 12 January 2022

As at the date of this announcement, the Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors; Mr. HUANG Bin (Chairman), 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.