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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)

RESULTS OF VALID ACCEPTANCES OF RIGHTS SHARES AND NUMBER OF UNSUBSCRIBED RIGHTS SHARES AND ES UNSOLD RIGHTS SHARES UNDER THE COMPENSATORY ARRANGEMENTS

Reference is made to the prospectus of China New Economy Fund Limited (the “**Company**”) dated 25 January 2022 (the “**Prospectus**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Prospectus.

RESULTS OF VALID APPLICATIONS AND ACCEPTANCES OF THE RIGHTS SHARES

The Board is pleased to announce that, as at 4:00 p.m. on Monday, 14 February 2022, being the latest time for acceptance of and payment for the Rights Shares, a total of 16 valid applications and acceptances under the PAL in respect of a total of 351,054,967 Rights Shares had been received, representing approximately 81.2% of the total number of the Rights Shares available for subscription under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising under the Rights Issue.

Based on the subscription results, the Rights Issue was undersubscribed by 81,052,476 Rights Shares, representing approximately 18.8% of the total number of the Rights Shares available for subscription under the Rights Issue.

NUMBER OF THE UNSUBSCRIBED RIGHTS SHARES AND THE ES UNSOLD RIGHTS SHARES UNDER THE COMPENSATORY ARRANGEMENTS

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company has made arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares by offering them to independent places for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. The Company appointed the Placing Agent to place the Unsubscribed Rights Shares and the ES Unsold Rights Shares pursuant to the terms of the Placing Agreement as described in the paragraph headed “The Placing Agreement” in the letter from the Board in the Prospectus.

As at the Record Date, there were no Excluded Shareholders and the number of the ES Unsold Rights Shares is therefore nil. Based on the above results of applications and acceptances, there are 81,052,476 Unsubscribed Rights Shares subject to the Compensatory Arrangements, to be placed by the Placing Agent to independent places on a best effort basis in accordance with the Placing Agreement.

It is expected that the Placing by the Placing Agent will commence on Wednesday, 16 February 2022 according to the Placing Agreement and will end by not later than 5:00 p.m. on Tuesday, 22 February 2022. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will not be issued and the size of the Rights Issue will be reduced accordingly.

An announcement of the results of the Rights Issue (including the results of the Placing) is expected to be published on the websites of the Stock Exchange and the Company on Thursday, 24 February 2022.

WARNING OF THE RISKS OF DEALING IN THE SHARES

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares and there is no minimum amount to be raised under the Rights Issue in order for the Rights Issue to proceed. Any Unsubscribed Rights Shares not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Shareholders and investors should note that the Rights Issue is conditional upon fulfilment of the conditions set out in the paragraph headed “Conditions of the Rights Issue” in the letter from the Board in the Prospectus, 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 Shareholder or investor dealing in the Shares up to the latest time for the Rights Issue and the Placing to become unconditional (which is expected to be 4:00 p.m. on Wednesday, 23 February 2022) will accordingly bear the risk that the Rights Issue and the Placing may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

Chief Executive Officer and Executive Director

Hong Kong, 15 February 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 (Co-Chairman), Mr. CHOI Chit Sze Jackson (Co-Chairman), Mr. WANG Dingben, Mr. CHOW Yeung Tuen Richard and Mr. CHOI Koon Ming as non-executive Directors; and Mr. LEUNG Wai Lim, Mr. SUN Boquan, Mr. CHONG Ching Hoi and Mr. LAM King as independent non-executive Directors.