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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this Circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China New Economy Fund Limited, you should at once hand this Circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Circular, 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 Circular.

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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)**

**(A) PROPOSALS RELATING TO**  
**(1) RE-ELECTION OF RETIRING DIRECTORS**  
**AND**  
**(2) GENERAL MANDATE TO ALLOT AND ISSUE SHARES**  
**AND**  
**(3) GENERAL MANDATE TO REPURCHASE SHARES;**  
**AND**  
**(B) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting (“AGM”) of China New Economy Fund Limited to be held at Room 4608, 46/F., The Center, 99 Queen’s Road Central, Hong Kong on Friday, 29 May 2020 at 10:00 a.m., at which the above proposals will be considered, is set out on pages 13 to 16 of this Circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chinaneweconomyfund.com>).

Whether or not you are able to attend the AGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 10:00 a.m. on Wednesday, 27 May 2020 (Hong Kong time). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the AGM if they so wish.

28 April 2020

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Room 4608, 46/F., The Center, 99 Queen’s Road Central, Hong Kong on Friday, 29 May 2020 at 10:00 a.m., or any adjournment thereof
“Articles”	the articles of association of the Company currently in force
“Board”	the board of Directors
“Circular”	this Circular to the Shareholders dated 28 April 2020
“Company”	China New Economy Fund Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	22 April 2020, being the latest practicable date prior to the printing of this Circular for ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Maximum Number of Issued Shares”	694,123,396 Shares on the presumption that the maximum number of Rights Shares of 347,061,698 Shares will be issued on 15 May 2020 pursuant to the Rights Issue, and save the Rights Issue, there is no further change in the number of issued share capital of the Company between the Latest Practicable Date and the date of the AGM

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## DEFINITIONS

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“Rights Issue”	the offer of the Rights Shares by the Company on the basis of 1 Rights Share for every 1 existing Share in the share capital of the Company, details of which are set out in the Company’s circular dated 16 March 2020 and announcements of 3 March 2020, 23 March 2020 and 3 April 2020 respectively
“Rights Share(s)”	The new Share(s) to be allotted and issued pursuant to the Rights Issue
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.04 each in the issued capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers approved by the Securities and Futures Commission as amended from time to time

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LETTER FROM THE BOARD

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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)**

**Board of Directors**

*Executive Directors:*

Mr. GU Xu (*Chairman and Chief Executive Officer*)

Mr. CHAN Cheong Yee

*Independent Non-executive Directors:*

Mr. CHONG Ching Hoi

Mr. LEUNG Wai Lim

Mr. SUN Boquan

*Registered Office:*

P.O. Box 309

Ugland House

South Church Street

George Town

Grand Cayman KY1-1104

Cayman Islands

*Principal Place of Business*

*in Hong Kong:*

Unit 702, 7/F.

135 Bonham Strand Trade Centre

135 Bonham Strand

Sheung Wan, Hong Kong

28 April 2020

*To the Shareholders*

Dear Sir/Madam,

**(A) PROPOSALS RELATING TO  
(1) RE-ELECTION OF RETIRING DIRECTORS  
AND  
(2) GENERAL MANDATE TO ALLOT AND ISSUE SHARES  
AND  
(3) GENERAL MANDATE TO REPURCHASE SHARES  
AND  
(B) NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this Circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM to be held on 29 May 2020.

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## LETTER FROM THE BOARD

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### 2. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to the Listing Rules, Mr. Chan Cheong Yee and Mr. Chong Ching Hoi shall retire at the AGM. According to Article 34.2 of the Articles, Mr. Sun Boquan who was appointed by the Board on 5 June 2019, shall hold office until the AGM and then shall be subject to re-election at the AGM. Mr. Chan, Mr. Chong and Mr. Sun, being eligible, will offer themselves for re-election at the AGM.

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Nomination Policy and the Company's corporate strategy, and the independence of all Independent Non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including the aforesaid Independent Non-executive Directors who are due to retire at the Annual General Meeting. The Company considers that the retiring Independent Non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the retiring Directors are set out in Appendix I to this Circular.

### 3. GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 30 May 2019, a general mandate was granted to the Directors to issue Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 4 of the notice of the AGM (i.e. a total of 138,824,679 Shares calculated based on the Possible Maximum Number of Issued Shares on the date of the AGM) (the "**Issuance Mandate**"). An ordinary resolution to extend the Issuance Mandate by adding the number of Shares repurchased by the Company pursuant to the Share Repurchase Mandate will also be proposed at the AGM.

The Directors wish to state that they have no immediate plan to issue any new Shares pursuant to the Issuance Mandate.

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## LETTER FROM THE BOARD

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### 4. GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 30 May 2019, a general mandate was granted to the Directors to repurchase Shares. Such mandate will lapse at the conclusion of the AGM. In order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to approve the granting of the Share Repurchase Mandate to the Directors to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the AGM (i.e. a total of 69,412,339 Shares calculated based on the Possible Maximum Number of Issued Shares on the date of the AGM) (the “**Share Repurchase Mandate**”). The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Repurchase Mandate is set out in Appendix II to this Circular.

### 5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 13 to 16 of this Circular.

Pursuant to the Listing Rules and the Articles, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

For the purpose of ascertaining Shareholders who are entitled to attend and vote at the AGM or any adjournment thereof, the register of members of the Company will be closed from Tuesday, 26 May 2020 to Friday, 29 May 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the AGM or any adjournment thereof, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 May 2020.

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## LETTER FROM THE BOARD

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A form of proxy for use at the AGM is enclosed with this Circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.chinaneweconomyfund.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, at the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 10:00 a.m. on Wednesday, 27 May 2020 (Hong Kong time). Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish and in such event, the proxy form shall be deemed to be revoked.

### 6. RECOMMENDATION

The Directors consider that the proposed re-election of retiring Directors and granting of the Issuance Mandate and the Share Repurchase Mandate are in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

Yours faithfully,  
By Order of the Board  
**China New Economy Fund Limited**  
**Gu Xu**  
*Chairman and Chief Executive Officer*



*The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the AGM.*

#### EXECUTIVE DIRECTOR

- (1) **Mr. Chan Cheong Yee (“Mr. Chan”)**, aged 56, has been appointed as an executive Director since 1 June 2013. Mr. Chan is one of the responsible officers of China Everbright Securities (HK) Limited and SHK Fund Management Limited respectively. Mr. Chan is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Chan obtained a Bachelor of Science degree from the College of Business Administration of The University of South Florida in the United States of America. Mr. Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules.

Mr. Chan is currently an executive director of China Innovation Investment Limited (1217.HK), China Investment and Finance Group Limited (1226.HK), China Investment Development Limited (204.HK), Capital VC Limited (2324.HK) and National Investments Fund Limited (1227.HK), the shares of which are listed on the Main Board of the Stock Exchange. Mr. Chan is also an executive director of China Trend Holdings Limited (8171.HK), a company listed on the GEM of the Stock Exchange. He was an executive director of Alpha Returns Group PLC, an investment company listed on AIM of London Stock Exchange, from May 2013 to April 2018. Mr. Chan was appointed as an independent non-executive director of Bingo Group Holdings Limited (8220.HK) in August 2007, and redesignated as an executive director from April 2009 to September 2018.

Save as disclosed above, Mr. Chan did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Chan does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Chan has entered into a service contract with the Company for three years commenced on 1 June 2019 and he is subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules. Mr. Chan is entitled to receive a director’s fee of HK\$528,000 per annum, which is based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Chan does not have any interest in Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no information which is disclosable nor is Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters concerning Mr. Chan that need to be brought to the attention of the Shareholders of the Company.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

- (2) **Mr. Chong Ching Hoi** (“**Mr. Chong**”), aged 37, has been appointed as an independent non-executive Director since 22 December 2017. He is the chairman of each of the Audit Committee and Remuneration Committee as well as a member of the Nomination Committee of the Company. Mr. Chong graduated from the Hong Kong University of Science and Technology with a bachelor degree of Business Administration in Accounting in November 2004. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has more than 12 years of experience in audit, accounting, financial reporting and compliance.

Mr. Chong is currently the chief financial officer and company secretary of Hao Bai International (Cayman) Limited (“**HBIC**”) (8431.HK), a company listed on the GEM of the Stock Exchange. He has joined HBIC since March 2016 and is responsible for its compliance and corporate governance, preparing group’s consolidated financial statements as well as reviewing and implementing effective financial policies and internal control procedures.

Save as disclosed above, Mr. Chong did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Chong does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Chong has entered into a service contract with the Company for a term of three years commenced on 22 December 2017 and he is subject to retirement by rotation and is eligible for re-election at least once every three years at the annual general meeting of the Company in accordance with the Listing Rules. Mr. Chong is entitled to receive a director’s fee of HK\$117,000 per annum, which is based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Chong does not have any interest in Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no information which is disclosable nor is Mr. Chong involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters concerning Mr. Chong that need to be brought to the attention of the Shareholders of the Company.

- (3) **Mr. Sun Boquan** (“**Mr. Sun**”), aged 68, has been appointed as an independent non-executive director as well as a member of each of the audit committee, the nomination committee and the remuneration committee of the Company on 5 June 2019. Mr. Sun has obtained a master degree in business administration from Nan Kai University (南開大學), the People’s Republic of China in 2005.

He was the deputy bureau head of Tianjin Public Utility Bureau (天津市公用局) in September 1997, and was the chairman of 天津市燃氣集團有限公司 (Tianjin Gas Group Company Limited) from 2000 to 2011. During the period from August 2004 to September 2011, Mr. Sun acted as a non-executive director of Tianjin Tianlian Public Utilities Company Limited (currently known as Tianjin Jinran Public Utilities Company Limited), a company now listed on the Main Board of the Stock Exchange (1265.HK). Mr. Sun was the chairman of 天津燃氣協會 (Tianjin Gas Society) and the vice chairman of 中國燃氣學會 (China Gas Society) from 2011 to 2013. Mr. Sun was an independent non-executive director of Ming Hing Holdings Limited (currently known as Peace Map Holding Limited), a company whose shares are listed on the Main Board of the Stock Exchange (402.HK), for the period from October 2006 to March 2009.

Save as disclosed above, Mr. Sun did not hold any directorship in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Sun does not have any relationships with any other Directors, senior management or substantial Shareholders or controlling Shareholders of the Company.

Mr. Sun has entered into a service contract with the Company for an initial term of three years commenced on 5 June 2019 and shall hold office only until the AGM and shall be eligible for re-election in accordance with the Articles of the Company. Mr. Sun is entitled to receive a director’s fee of HK\$117,000 per annum, which is based on the recommendation of the Remuneration Committee of the Company with reference to his duties and responsibilities with the Company, the Company’s performance and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Sun does not have any interest in Shares or underlying shares of the Company within the meaning of Part XV of the SFO.

There is no information which is disclosable nor is Mr. Sun involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters concerning Mr. Sun that need to be brought to the attention of the Shareholders of the Company.

*The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the AGM in relation to the granting of the Share Repurchase Mandate.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 347,061,698 Shares of nominal value of HK\$0.04 each following a share consolidation effective on 7 April 2020.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the AGM in respect of the granting of the Share Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the AGM, i.e. 694,123,396 Shares (being the Possible Maximum Number of Issued Shares), the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, a maximum of 69,412,339 Shares, representing 10% of the Possible Maximum Number of Issued Shares as at the date of the AGM.

## **2. REASONS FOR SHARE REPURCHASE**

The Directors believe that the granting of the Share Repurchase Mandate is in the best interests of the Company and the Shareholders.

Shares repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **3. FUNDING OF SHARE REPURCHASE**

The Company may only apply funds legally available for share repurchase in accordance with its Memorandum and Articles of Association and the laws of Cayman Islands and/or any other applicable laws, as the case may be.

## **4. IMPACT OF SHARE REPURCHASE**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the year ended 31 December 2019) in the event that the Share Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5. MARKET PRICES OF SHARES**

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months (and from April 2019 up to and including the Latest Practicable Date) were as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2019</b>		
April	0.100	0.079
May	0.094	0.066
June	0.090	0.075
July	0.086	0.075
August	0.082	0.067
September	0.081	0.065
October	0.075	0.059
November	0.070	0.056
December	0.073	0.050
<b>2020</b>		
January	0.071	0.057
February	0.061	0.050
March	0.058	0.042
April ( <i>up to the Latest Practicable Date</i> )	0.210*	0.040

\* Adjusted as a result of the share consolidation effective on 7 April 2020.

**6. GENERAL**

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to repurchase Shares pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands.

## 7. TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, as at the Latest Practicable Date, Mr. Wang Dingben, the substantial shareholder of the Company as defined in the Listing Rules, was interested in 36,930,000 Shares representing approximately 10.64% of the total issued share capital of the Company (i.e. 347,061,698 Shares, the number of Shares before completion of the Rights Issue). In the event that the Directors exercise the proposed Share Repurchase Mandate in full, the aggregate shareholding of Mr. Wang Dingben would be increased to approximately 11.82% of the issued share capital of the Company.

The Directors are not aware of any consequences which may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not consider such increase would reduce the issued share capital in the public to less than 25% (or the relevant prescribed minimum percentage required by the Stock Exchange). The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and/or result in the aggregate number of Shares held by the public shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

## 8. SHARE REPURCHASE MADE BY THE COMPANY

During the 6 months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting (“AGM”) of China New Economy Fund Limited (the “Company”) will be held at Room 4608, 46/F., The Center, 99 Queen’s Road Central, Hong Kong on Friday, 29 May 2020 at 10:00 a.m. for the following purposes:

1. To receive the audited financial statements of the Company and the reports of the directors and auditors for the year ended 31 December 2019.
2.
  - (a) To re-elect Mr. Chan Cheong Yee as an executive Director.
  - (b) To re-elect Mr. Chong Ching Hoi as an independent non-executive Director.
  - (c) To re-elect Mr. Sun Boquan as an independent non-executive Director.
  - (d) To authorize the Board of Directors to fix the remuneration of the respective Directors.
3. To re-appoint HLB Hodgson Impey Cheng Limited as auditors of the Company and to authorize the Board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers during or after the end of the Relevant Period (as defined below) in accordance with all applicable laws, rules and regulations;
- (b) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);

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## NOTICE OF ANNUAL GENERAL MEETING

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- (ii) the exercise of options under a share option scheme of the Company; and
- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company,

shall not exceed 20% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

- (c) for the purposes of this resolution:

**“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

**“Rights Issue”** means an offer of shares open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

- 5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to repurchase its shares in accordance with all applicable laws, rules and regulations;



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## NOTICE OF ANNUAL GENERAL MEETING

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(b) the total number of shares of the Company to be repurchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution); and

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of the resolutions set out in items 4 and 5 of the notice convening this meeting (the “**Notice**”), the general mandate referred to in the resolution set out in item 4 of the Notice be and is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of the number of shares repurchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such number of shares shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of any consolidation or subdivision of shares of the Company after the date of passing of this resolution).”

By Order of the Board  
**China New Economy Fund Limited**  
**Gu Xu**  
*Chairman and Chief Executive Officer*

Hong Kong, 28 April 2020

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. All resolutions at the meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her/it. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
3. In order to be valid, the instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 10:00 a.m. on Wednesday, 27 May 2020 (Hong Kong time). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Tuesday, 26 May 2020 to Friday, 29 May 2020, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 25 May 2020.
5. A Circular containing further details concerning items 2, 4, 5 and 6 set out in the above notice will be sent to all members of the Company together with the 2019 Annual Report.
6. As at the date of this notice, the Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors, and Mr. LEUNG Wai Lim, Mr. SUN Boquan and Mr. CHONG Ching Hoi as independent non-executive Directors.
7. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.