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CHINA NEW ECONOMY FUND LIMITED

中國新經濟投資有限公司

(Incorporated in the Cayman Islands as an exempted company with limited liability)

(Stock code: 80)

CHANGE OF AUDITOR

The Board announces that Ernst & Young has resigned as the auditor of the Company with effect from 4 August 2016. The Board has appointed HLB Hodgson Impey Cheng Limited as the auditor of the Company to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company.

The board of directors (the “**Board**”) of China New Economy Fund Limited (the “**Company**”) announces that Ernst & Young has resigned as the auditor of the Company with effect from 4 August 2016 as the Company could not reach a consensus with Ernst & Young on the audit fee for the financial year ending 31 December 2016.

The Board has appointed HLB Hodgson Impey Cheng Limited as the auditor of the Company with effect from 4 August 2016 to fill the casual vacancy following the resignation of Ernst & Young and to hold office until the conclusion of the next annual general meeting of the Company.

Ernst & Young has confirmed in writing that there are no other circumstances connected with their resignation that should be brought to the attention of the audit committee or shareholders of the Company. The Board confirms that there are no matters or circumstances in respect of the change of the auditors which should be brought to the attention of the shareholders of the Company. The Board believes that the change of auditor will not have any impact on the annual audit of the Company for the financial year ending 31 December 2016.

The Board would like to express its sincere gratitude to Ernst & Young for their professional services provided to the Company in the past years.

On behalf of the Board

China New Economy Fund Limited

Gu Xu

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 4 August 2016

As at the date of this announcement, the Board comprises Mr. GU Xu and Mr. CHAN Cheong Yee as executive Directors, Mr. LAM Chun Ho, Mr. PUN Tit Shan and Mr. Faris Ibrahim Taha AYOUB as independent non-executive Directors.