

香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)

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Subject : Display of Adjusted Previous Closing Price of China New Economy Fund Limited (stock code 80) on OTP-C for its 1-for-8 Rights Issue (with 3 Bonus Shares for every 1 Rights Share taken up) on Ex-All Date, 26 February 2018

Enquiry Tel : Mr. Eric Lam (Tel: 2840 3087) or Ms. Cynthia Chiu (Tel: 2840 3076)

Pursuant to the rights issue timetable issued by China New Economy Fund Limited ("China New Economy"), China New Economy's shares (stock code: 80) will be marked "ex-all" on 26 February 2018, the Ex-All Date.

Amongst other terms and conditions, China New Economy's bonus issue is subject to the passing of relevant resolution(s) to approve the bonus issue (the "Resolution(s)") at its Extraordinary General Meeting to be held on 22 February 2018 (the "EGM"). China New Economy will make a further announcement containing the results of the Resolution(s) following the EGM. Shareholders, investors and market participants should read the China New Economy's announcements, circulars and prospectus documents in full including the terms and conditions of rights issue (with bonus issue) of China New Economy in dealing with China New Economy's shares. If they are in doubt, they should consult their professional adviser(s).

Further, as an OTP-C standard practice for ex-rights issue (with bonus issue) ("Ex-All") and for reference only, an Adjusted Previous Closing Price will be displayed in the "PRV CLOSE" field of China New Economy's OTP-C stock page on 26 February 2018, the Ex-All Date. The unadjusted previous closing price will instead be displayed in the free text field. Calculation of the Adjusted Previous Closing Price will be based on China New Economy's closing price on 23 February 2018 (i.e. last cum-all trading day) and by using the following standard adjustment formula for rights issue (with bonus issue) generally.

Adjustment Formula:

Adjusted Previous Closing Price
$$= [(Closing\ Price\ on\ the\ last\ cum-all\ trading\ day \times Y) + (S \times X)] \div (X + Y + X \times R)$$

where:

- S = Subscription price per rights share, i.e. HK\$0.50
- X = Number of rights shares a shareholder is entitled to subscribe when he/she holds Y existing shares on the record date, i.e. 1 rights share
- Y = Number of existing shares a shareholder has to hold on the record date for entitling him/herself to subscribe for X rights shares, i.e. 8 shares
- R = Ratio of bonus issue, i.e. 3/1

Note: Price adjustment for rights issue will not be made and the previous closing price will remain unchanged on ex-all date when the subscription price (after adjustment for bonus issue) is higher than the closing price of the shares on the last cum-all trading day.

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For illustration purpose, depending on China New Economy's closing price on 23 February 2018, the Exchange shall base on the above standard formula for rights issue (with bonus issue) generally to calculate and display the Adjusted Previous Closing Price on China New Economy's OTP-C stock page on 26 February 2018 as follows:-

<u>CUM-ALL</u>	<u>EX-ALL</u>
<u>Unadjusted Closing Price</u>	<u>Adjusted</u>
<u>on 23 February 2018</u>	<u>Previous Closing Price</u>
<u>on 23 February 2018</u>	<u>on 26 February 2018</u>
(HK\$)	(HK\$)
0.1110	0.111*
0.1120	0.112*
0.1130	0.113*
0.1140	0.114*
0.1150	0.115*
0.1160	0.116*
0.1170	0.117*
0.1180	0.118*
0.1190	0.119*
0.1200	0.120*
0.1210	0.121*
0.1220	0.122*
0.1230	0.123*
0.1240	0.124*
0.1250	0.125
0.1265	0.126
0.1280	0.127
0.1295	0.128
0.1310	0.129
0.1325	0.130
0.1340	0.131
0.1355	0.132
0.1370	0.133
0.1385	0.134
0.1400	0.135
0.1415	0.136
0.1430	0.137
0.1445	0.138
0.1460	0.139
0.1475	0.140

Charles Woo
Vice President
Listing Department