

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)

7 August 2025

To the Offer Shareholders and Optionholders

Dear Sir/Madam,

MANDATORY UNCONDITIONAL CASH OFFERS BY



金利豐證券
KINGSTON SECURITIES

ON BEHALF OF

LONGLING CAPITAL LTD

FOR ALL THE ISSUED SHARES IN

CHINA NEW ECONOMY FUND LIMITED

(OTHER THAN THOSE ALREADY OWNED OR AGREED

TO BE ACQUIRED BY LONGLING CAPITAL LTD AND PARTIES

ACTING IN CONCERT WITH IT)

AND

FOR ALL OUTSTANDING SHARE OPTIONS ISSUED BY

CHINA NEW ECONOMY FUND LIMITED

(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE

ACQUIRED BY LONGLING CAPITAL LTD AND PARTIES

ACTING IN CONCERT WITH IT) FOR CANCELLATION

INTRODUCTION

We refer to the Composite Document jointly issued by the Offeror and the Company dated 7 August 2025 (the “Composite Document”), of which this letter forms part. Unless the context otherwise requires, terms used in this letter shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider and to advise the Offer Shareholders and the Optionholders as to whether or not the Offers are fair and reasonable and to make a recommendation as to the acceptance of the Offers.

Frontpage Capital and Quam Capital have been appointed as the Joint Independent Financial Advisers with our approval to advise us in respect of the above. Details of its advice and the principal factors taken into consideration in arriving at their recommendation are set out in the "Letter from the Joint Independent Financial Advisers" on pages 33 to 53 of the Composite Document.

We also wish to draw your attention to the "Letter from the Board", the "Letter from Kingston Securities" and the additional information set out in the appendices to the Composite Document.

RECOMMENDATIONS

Taking into account the terms of the Offers and the advice from Frontpage Capital and Quam Capital, we consider that the Offers are fair and reasonable so far as the Offer Shareholders and the Optionholders are concerned. Accordingly, we recommend the Offer Shareholders and the Optionholders to accept the Offers. The Offer Shareholders and the Optionholders are recommended to read the full text of the "Letter from the Joint Independent Financial Advisers" set out in the Composite Document.

However, in view of the volatility of market conditions, for those Offer Shareholders and Optionholders who intend to accept the Offers, they are strongly reminded to closely monitor the market price and the liquidity of the Shares during the Offer Period and (for the Offer Shareholders) consider selling their Shares in the open market and (for the Optionholders) consider exercising their Share Options and selling the Shares issued in the open market, instead of accepting the Offers, if the net proceeds (after costs and expenses payable by the Offer Shareholders and the Optionholders) from the sale of such Shares in the open market would exceed the net proceeds receivable under the Offers.

Notwithstanding our recommendation, the Offer Shareholders and the Optionholders should consider carefully the terms of the Offers. In any case, the Offer Shareholders and the Optionholders are strongly advised that the decision to realize or to continue to hold their Shares and/or Share Options is subject to individual circumstances and investment objectives. If in doubt, the Offer Shareholders and the Optionholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
China New Economy Fund Limited



Mr. Chen
Shengjie
Non-executive
Director

Mr. Choi
Koon Ming
Non-executive
Director

Ms. Xiao
Ruimei
Non-executive
Director

Mr. Sze
Tak Chi
Independent
non-executive
Director

Mr. Sui
Fuxiang
Independent
non-executive
Director

Mr. Tong
Yun Lung
Independent
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<i>Non-executive Director</i>	<i>Non-executive Director</i>	<i>Non-executive Director</i>	<i>Independent non-executive Director</i>	<i>Independent non-executive Director</i>	<i>Independent non-executive Director</i>

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Tak Chi**
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