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## The HSBC China Fund Limited

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

**The conditions of the proposed distribution in specie of shares in A-S China have been satisfied in full. Accordingly, the Distribution will proceed. The timetable and details of the Distribution are further set out in this announcement.**

Reference is made to a shareholders' circular of the Company dated 22 May, 2002 (the "Circular"), a letter from the board of directors of the Company to the shareholders of the Company dated 11 October, 2002 and announcements of the Company dated 2 December, 2002, 30 April, 2003 and 22 May, 2003. Terms and expressions defined in the Circular shall have the same meanings when used in this announcement.

### DISTRIBUTION

The Directors would like to announce that the conditions of the proposed distribution in specie of shares in A-S China have been satisfied in full. Accordingly, the Distribution will proceed. The A-S China Shares to be distributed pursuant to the Distribution will rank pari passu in all respects with other issued A-S China Shares. The listing document issued by A-S China dated 19 June, 2003 will be despatched to the Shareholders shortly. Shareholders who do not receive a copy of the listing document may contact the share registrar of A-S China, Computershare Hong Kong Investor Services Limited at Rooms 1901-1905, 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong during normal business hours. Details of the timetable for determining entitlements to the Distribution and despatch of share certificates of A-S China are set out below.

### EXPECTED TIMETABLE

Issue of listing document by A-S China .....	19 June, 2003
Last day of dealing in HCF Shares cum entitlement to the Distribution .....	2 July, 2003
Latest time for lodging HCF Share transfers for registration for entitlements to the Distribution (Note 1) .....	4 p.m. on 4 July, 2003
Register closes	
from .....	7 July, 2003
to .....	8 July, 2003
(both days inclusive)	
Record Date for entitlements to the Distribution .....	8 July, 2003
Share certificates of A-S China to be despatched (Note 2) .....	on or before 10 July, 2003
Commencement of dealings in A-S China Shares on the GEM .....	11 July, 2003

### NOTES:

- (1) In order to qualify for entitlements to the Distribution, all transfers of HCF Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Friday, 4 July, 2003.
- (2) The share certificates of A-S China will be despatched to Eligible Shareholders at their own risk. If Eligible Shareholders have any queries regarding receipt of share certificates, they should contact the share registrar of A-S China, Computershare Hong Kong Investor Services Limited at (852) 2862 8628.

### ODD LOTS AND DEALING ARRANGEMENT

Under the Distribution, Eligible Shareholders will be allotted two A-S China Shares for every five HCF Shares held by Eligible Shareholders on the Record Date. However, as mentioned in the Circular, A-S China Shares will be traded on the GEM in board lots of 1,000 and accordingly, Eligible Shareholders will only be allotted A-S China Shares if they would receive at least 1,000 A-S China Shares on the Distribution. Any remaining

undistributed A-S China Shares (i.e. A-S China Shares which remain undistributed as the relevant Eligible Shareholders have not been allotted 1,000 or more A-S China Shares) will be sold in the market by Cazenove Asia Limited of 5001, One Exchange Square, 8 Connaught Place, Central, Hong Kong (and not, as mentioned in the Circular, Anglo Chinese Securities Limited) as agent for and on behalf of the Company as soon as practicable after the listing of the A-S China Shares. The Company will instruct Cazenove Asia Limited on the time and price at which such sales will be conducted. It is expected that Cazenove Asia Limited will charge a standard brokerage fee of 0.5 per cent. for conducting such sales. The net proceeds (i.e. after deducting the standard brokerage fee as mentioned, the 0.005 per cent. Securities and Futures Commission transaction levy, the 0.002 per cent. investor compensation levy, the 0.005 per cent. Stock Exchange trading fee and stamp duty) generated from such sales will be distributed to the relevant Eligible Shareholders on a pro rata basis. Relevant Eligible Shareholders should note that whilst it is the intention of the Company that such sales would be conducted as soon as practicable after the listing of A-S China Shares, such sales would be conducted by Cazenove Asia Limited or its nominee as agent for and on behalf of the Company on a reasonable efforts basis and the timing of such sales would depend on market conditions and other relevant factors.

Cazenove Asia Limited (and not, as mentioned in the Circular, Anglo Chinese Securities Limited) has also been appointed by the Company to sell or arrange for the sale of A-S China Shares on the Stock Exchange as agent for and on behalf of each Eligible Shareholder who receives less than 5,000 A-S China Shares on the Distribution and elects to use this service. Such service shall be provided on a reasonable efforts basis only and shall be for a period of two months from the date of the listing of the A-S China Shares on the GEM. Eligible Shareholders are reminded that they have the option of using the services offered by Cazenove Asia Limited (which will charge the Eligible Shareholders a standard brokerage fee of 0.5 per cent) or appointing their own stockbroker if they wish to sell any of the A-S China Shares they receive on the Distribution. Should Eligible Shareholders require the services of Cazenove Asia Limited, they should contact Mr. Eric Chan at (852) 2123 0303 during normal business hours for further details.

Cazenove Asia Limited has confirmed that for the purpose of effecting the sales as referred to in this announcement it is only acting as an agent for and on behalf of the Company and the Eligible Shareholders (as the case may be) and has not conducted any due diligence on the A-S China Shares, A-S China or on any matters relating to the Distribution.

After the Distribution, the Company will continue to realise its remaining investments and a further announcement will be made when the Directors resolve to wind up the Company.

By order of the board of  
**The HSBC China Fund Limited**  
Donald P H Liao  
Director  
Hong Kong, 19 June, 2003