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The HSBC China Fund Limited

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

Following the declaration of the second special interim dividend of US\$0.18 per ordinary share of the Company on 3 September 2003, the net asset value of the Company as of 3 September 2003 was US\$0.014 on an ex-dividend basis.

The directors of the Company do not expect the Company's net asset value to increase before the Company is wound up.

Reference is made to announcements of the Company dated 4 September 2003, 5 September 2003 and 8 September 2003 (collectively, the "Announcements") in relation to a recent increase in the price and trading volume of the shares of the Company.

As mentioned in the Announcements, the directors of the Company are not aware of any reasons for the increase, except for the release of the interim results of the Company for the six months ended 30 June 2003, as disclosed in the preliminary announcement dated 3 September 2003. Save for the above, the directors of the Company confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, nor are the directors aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price sensitive nature.

In view of the increase in the price and trading volume of the shares of the Company, the directors of the Company wish to inform shareholders the following:

1. Following the declaration of the second special interim dividend of US\$0.18 per ordinary share of the Company on 3 September 2003, the net asset value of the Company as of 3 September 2003 was US\$0.014 on an ex-dividend basis.
2. The directors of the Company do not expect the Company's net asset value to increase before the Company is wound up.

By order of the board of
The HSBC China Fund Limited
Donald P H Liao
Director
Hong Kong, 11 September, 2003