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THE HSBC CHINA FUND LIMITED

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

PROPOSED WITHDRAWAL OF LISTING FROM THE HONG KONG STOCK EXCHANGE AND LONDON STOCK EXCHANGE AND LIQUIDATION OF THE COMPANY

The Company has completed the realisation of its investments and all of its assets are currently in the form of cash and cash equivalents. In view of this, the Directors propose that the listing of the Shares on the HKSE and the LSE be withdrawn, followed by the liquidation of the Company.

An application will be made to withdraw the listing of the Shares on the HKSE and the LSE and such withdrawal will be subject to the approval of the Shareholders. An Extraordinary General Meeting will be convened on 2 March 2004 to consider and, if thought fit, approve the withdrawal of listing and also the liquidation of the Company.

Assuming the special resolution to approve the withdrawal of listing is passed, the last day of trading in Shares on the HKSE and the LSE would be 1 March 2004. The withdrawal of listing on the HKSE and the LSE is scheduled to take place at the close of business on 7 April 2004 and 1 April 2004 respectively.

Trading in the Shares on the HKSE was suspended from 9:30 a.m. on 14 January 2004 at the request of the Company pending the release of this announcement. Application has been made to the HKSE for the trading in the Shares to resume at 9:30 a.m. on 16 January 2004. Trading in the Shares on the LSE was also suspended from 14 January 2004 and is expected to resume on 16 January 2004.

LISTING OF THE SHARES

The Company is an investment company which was incorporated to provide investors with a vehicle to benefit from emerging investment opportunities in the PRC. The Shares are presently, and have been, listed on the HKSE since June 1992. The Company also maintains a secondary listing of its Shares on the LSE.

REASONS FOR WITHDRAWAL OF LISTING AND LIQUIDATION

The Company was incorporated in May 1992 to provide investors with a vehicle to benefit from emerging investment opportunities in the PRC. The investment objective of the Company is to achieve long term capital appreciation from investment in companies and other entities with significant assets, investments, production activities, trading or other business interests in the PRC or which derive a significant part of their revenue from the PRC. The Directors believe that this investment objective has been achieved and, as advised by the investment manager to the Company, the Company has been realising its investments since 1994. The Company has in its 2003 interim report and previous announcements mentioned that it will take steps to wind up the Company after completing the realisation of its investments. The Company has now completed such realisation and all of its assets are currently in the form of cash and cash equivalents. The investment manager of the Company has also in the past several months been clarifying whether a special purpose vehicle, Figure Eight Capital Limited, which the Company formerly held an approximate 22 per cent. interest and which was used to hold a number of the Company's previous investments had been struck off from the Register of International Business Companies maintained under the British Virgin Islands International Business Ordinance and the Company had recently received confirmation that such striking-off had taken place. The Company has not changed its investment status since its previous announcement dated 10 October 2003. Accordingly, the Directors consider now an appropriate time to withdraw the listing of the Shares on the HKSE and the LSE and to be followed by the liquidation of the Company.

EXTRAORDINARY GENERAL MEETING

An application for the withdrawal of the listing of the Shares from the HKSE and the LSE will be respectively made to the HKSE and the LSE. As required by the Listing Rules, the proposed withdrawal of listing must be approved by the Shareholders. Shareholders' approval of the proposal will be sought by way of special resolution to be tabled at the Extraordinary General Meeting of the Company to be held on 2 March 2004. The special resolution will be passed if a majority in number representing three-fourths in value of the Shareholders present and voting either in person or by proxy at the Extraordinary General Meeting vote in favour. The Directors and their respective associates will abstain from voting on the special resolution regarding the proposed withdrawal of listing.

It is proposed that a special resolution to approve the commencement of liquidation proceedings of the Company and an ordinary resolution to approve the appointment of liquidators will also be tabled at the Extraordinary General Meeting if the special resolution to approve the withdrawal of listing is passed at the meeting. If the resolutions relating to the liquidation are passed, liquidation proceedings would commence and any cash remaining after the settlement of all outstanding liabilities of the Company, including the expenses of the Company in relation to the winding up and any other contingencies and creditors of the Company, would be distributed to the Shareholders. If the resolutions relating to the withdrawal of listing and liquidation are not passed, the Company will make an announcement to inform the Shareholders of its future plans in order to achieve the winding up of the Company. The results of the Extraordinary General Meeting will be announced on the day next following the day the Extraordinary General Meeting is held.

The Company intends to apply for suspension of trading of the Shares on the HKSE and the LSE on the day the Extraordinary General Meeting is held and if the resolution for the withdrawal of the listing is approved, trading of the Shares on the HKSE and the LSE shall remain suspended until the listing is withdrawn.

A circular containing details of the proposed withdrawal and liquidation, together with a Notice of the Extraordinary General Meeting of the Company to consider and approve such proposals, will be despatched to all Shareholders of the Company as soon as possible after the date of this announcement.

EXPECTED TIMETABLE FOR PROPOSED WITHDRAWAL OF LISTING

The expected timetable for the proposed withdrawal of listing is set out below:

Event	Expected Date
Latest time for lodging proxy forms for the Extraordinary General Meeting	11:00 a.m. on 29 February 2004
Last date for trading of the Shares on the HKSE and the LSE (assuming special resolution to delist is passed at the Extraordinary General Meeting)	1 March 2004
Register of the Shareholders closes: from	1 March 2004
to	2 March 2004

Extraordinary General Meeting (trading in the Shares on the HKSE and the LSE would be suspended on the day the Extraordinary General Meeting is held) 11:00 a.m. on 2 March 2004

Announcement on the results of the Extraordinary General Meeting 3 March 2004

Shares delisted from the LSE by close of business on 1 April 2004

Shares delisted from the HKSE by close of business on 7 April 2004

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DEFINITIONS USED IN THIS ANNOUNCEMENT

“Company” means The HSBC China Fund Limited

“Directors” means the directors of the Company

“Extraordinary General Meeting” means an extraordinary general meeting to be held at 11:00 a.m. on 2 March 2004 at Main Board Room, Level 15, 1 Queen’s Road Central, Hong Kong to consider and, if thought fit, to approve the withdrawal of listing and liquidation of the Company.

“Hong Kong Stock Exchange” or “HKSE” means The Stock Exchange of Hong Kong Limited

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“London Stock Exchange” or “LSE” means the London Stock Exchange

“PRC” means the People’s Republic of China

“Shares” means the ordinary shares of par value of US\$0.01 each in the capital of the Company

“Shareholders” means the shareholders of the Company

By Order of the Board
The HSBC China Fund Limited
Dr K S Lo
Director
15 January 2004

Please also refer to the published version of this announcement in The Standard.