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**HSBC**   
**THE HSBC CHINA FUND LIMITED**

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

**ANNOUNCEMENT**

At the Extraordinary General Meeting held on 2 March 2004, the resolution with respect to the withdrawal of the listing of the Shares from the Hong Kong Stock Exchange and the London Stock Exchange was not passed. Accordingly, the resolutions in relation to the voluntary winding-up of the Company and the appointment of liquidators of the Company were not proposed to the Shareholders for approval.

Trading in the Shares on the Hong Kong Stock Exchange and the London Stock Exchange was suspended on 2 March 2004 and will remain suspended until an announcement is made regarding the course of action to be adopted by the Company. The announcement would be made as soon as possible after a Directors' meeting is held (currently expected to be on 9 March 2004) to consider the results of the Extraordinary General Meeting and to decide the course of action to be taken by the Company. Before the Directors' meeting, the Directors are compiling information as to why the resolution was not passed at the Extraordinary General Meeting and seeking advice from its legal advisers in order to decide on the course of action to be taken by the Company. As a result of this, the Directors believe that it is appropriate to have trading of the Shares suspended until the announcement is made. The announcement to be made by the Company will contain information which the Directors consider as sufficient in order for investors to understand the Company's course of action. It is the current intention of the Directors to apply for resumption of trading in the Shares on the Hong Kong Stock Exchange and the London Stock Exchange at the time the announcement is made.

Reference is made to the announcement of the Company dated 15 January 2004 and the shareholders' circular dated 3 February 2004. Terms used in this announcement shall have the same meaning given to them in the shareholders' circular.

The Directors announce that at the Extraordinary General Meeting, the resolution with respect to the withdrawal of listing of the Shares from the Hong Kong Stock Exchange and the London Stock Exchange was not passed. There were 226,983 votes cast in favour and 1,447,014 votes against, representing respectively 13.56 per cent and 86.44 per cent. of the total Shares voted at the meeting (and respectively 0.93 per cent. and 5.94 per cent. of the total number of Shares issued by the Company). Accordingly, the resolutions in relation to the voluntary winding-up of the Company and the appointment of liquidators of the Company were not proposed to the Shareholders for approval.

Trading in the Shares on the Hong Kong Stock Exchange and the London Stock Exchange was suspended on 2 March 2004 and will remain suspended until an announcement is made regarding the course of action to be adopted by the Company. The announcement would be made as soon as possible after a Directors' meeting is held (currently expected to be on 9 March 2004) to consider the results of the Extraordinary General Meeting and to decide the course of action to be taken by the Company. Before the Directors' meeting, the Directors are compiling information as to why the resolution was not passed at the Extraordinary General Meeting and seeking advice from its legal advisers in order to decide on the course of action to be taken by the Company. As a result of this, the Directors believe that it is appropriate to have the trading of the Shares suspended until the announcement is made. The announcement to be made by the Company will contain information which the Directors consider as sufficient in order for investors to understand the Company's course of action. It is the current intention of the Directors to apply for resumption of trading in the Shares on the Hong Kong Stock Exchange and the London Stock Exchange at the time the announcement is made.

Investors should also be reminded that the unaudited net asset value of the Company as at 31 January 2004 was US\$0.011 per Share (equivalent to HK\$0.0858 on the basis of US\$1=HK\$7.8), which is substantially lower than the closing price of the Shares quoted on the Hong Kong Stock Exchange on 1 March 2004, being HK\$1.57. As the Company has no operating income, the net asset value of the Company is expected to decline over time.

By Order of the Board  
**Donald Liao**  
*Director*

2 March 2004

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