

HSBC

THE HSBC CHINA FUND LIMITED

(Incorporated as an exempted company in the Cayman Islands with limited liability)
(Hong Kong Stock Code: 504)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of The HSBC China Fund Limited will be held at Main Board Room, Level 15, 1 Queen's Road Central, Hong Kong on 29 June 2004 at 11:00 a.m. for the following purposes:—

Ordinary Business

1. To receive and adopt the Audited Accounts of the Company for the year ended 31 December 2003 and the reports of the Directors and Auditors thereon.
2. To re-elect Directors.
3. To authorise the Directors to fix the Directors' remuneration.
4. To re-appoint Ernst & Young as Auditors and authorise the Directors to fix their remuneration.

Special Business

5. To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:—

(1) **“THAT:—**

- (i) Subject to paragraph (iii) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue or otherwise deal with any unissued Shares in the capital of the Company pursuant to the Companies Laws (Cap. 22) (as amended) of the Cayman Islands and to make or grant offers, agreements, options and / or warrants which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and / or options which may require the exercise of the powers of the Company referred to in that paragraph at any time during or after the end of the Relevant Period;
- (iii) the aggregate nominal amount of unissued Shares in the capital of the Company which may be allotted, issued or otherwise dealt with by the Directors of the Company during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to a Rights Issue or the exercise of subscription rights attaching to any warrants issued by the Company, shall not exceed the aggregate of 20 per cent. of the aggregate nominal amount of Shares in the capital of the Company in issue as at the date of passing this resolution;
- (iv) for the purpose of this resolution:—
 - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:—
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by law to be held;
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
 - (b) “Rights Issue” means an offer of shares in the capital of the Company open for a period fixed by the Directors of the Company to holders of shares in the capital of the Company whose names appear on the Register of Members on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other

arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws or regulations in any territory outside the Cayman Islands).”

(2) **“THAT:—**

- (i) subject to paragraphs (ii) and (iii) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase Shares be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal amount of Shares which may be purchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;
- (iii) for the purpose of this Resolution:—
 - (a) “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:—
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by law to be held;
 - (3) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders in general meeting; and
 - (b) “Shares” means shares of all classes in the capital of the Company and warrants and other securities issued by the Company which carry a right to subscribe or purchase shares of the Company.”

- (3) “**THAT** the general mandate to the Directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with Shares in the capital of the Company and to make, issue or grant offers, agreements, options and / or warrants which might require the exercise of such powers be and is hereby extended by the addition to the total nominal amount of share capital which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to such general mandate an amount representing the total nominal amount of Shares in the capital of the Company purchased by the Company pursuant to the exercise by the Directors of the Company in accordance with Resolution (5)(2) above of the powers of the Company to purchase such Shares, provided that such amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution.”
(Note (i))

6. To consider and, if thought fit, pass the following resolution as a Special Resolution:—

“**THAT** the Articles of Association of the Company be and are hereby amended in the following manner:—

- (A) By adding the following definition in Articles of Association:—

“Associates” as defined by the Listing Rules of the Stock Exchange from time to time

- (B) By adding the following new Article 75A after existing Article 75:

“75A Where a Member is required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution as specified by the Listing Rules of the Stock Exchange, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”

- (C) By deleting the existing Article 94(H) and substituting the following new Article 94(H) therefor:

“94 (H) Save as otherwise provided by these Articles, a Director shall not, and shall not be entitled to vote (nor be counted in the quorum in relation to) on any resolution of the Board in respect of any contract or arrangement in which

he or any of his Associates has a material interest nor shall he be counted in the quorum at the meeting, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his Associate(s) any security or indemnity in respect of money lent by him or any of them or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his Associate(s) has or have assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his Associate(s) is / are or is / are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal concerning any other company in which the Director or his Associate(s) is / are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the Director or his Associate(s) is / are beneficially interested in shares of that company, provided that the Director and any of his Associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of his associates is derived) or of the voting rights;

- (v) any proposal concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, his Associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his Associate(s), as such any privilege or advantage not generally accorded to the persons to which such scheme or fund relates.”

(D) By repealing Article 94(J).”

The board of directors of the Company as at the date of this announcement comprises of Mr Vincent Warner, being executive director, Mr Donald Liao, Dr K S Lo, Sir Alan Donald and Mr Nigel Tulloch, being independent non-executive directors and Mr Jack Mayer, being non-executive director.

By Order of the Board
Samantha Suen
Company Secretary

Hong Kong, 15 April 2004

Notes:

- (i) This resolution will be proposed to Shareholders for approval provided that Ordinary Resolutions 5(1) and 5(2) are passed by the Shareholders.
- (ii) A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote for him in accordance with the Articles of Association of the Company; a proxy need not be a member.
- (iii) In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- (iv) To be valid, a form of proxy must be deposited at 11th Floor, Prince’s Building, 10 Chater Road, Central, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting.
- (v) The Transfer Books and Register of Members will be closed from 25 June 2004 to 29 June 2004 inclusive during which period no share transfers can be registered.

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