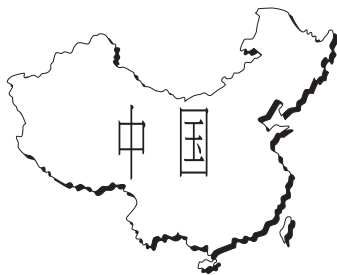


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THE CHINA FUND

(An exempted company incorporated in the Cayman Islands with limited liability)
(Stock Code: 215)

Proposed Voluntary Winding-up of the Company and Withdrawal of Listing of the Shares from SEHK

INTRODUCTION

The Company was incorporated as an exempted and closed-ended company with limited liability in the Cayman Islands on 20 January 1992, and was subsequently converted into an open-ended company in 1994. The Company specialises in investing in equity and equity linked securities in China and in companies with significant assets in, or significant earnings derived from China. The Company has been in existence since 1992 and has performed well. The Company was listed on the SEHK on 21 April 1992 and is authorised by the Securities and Futures Commission of Hong Kong ("SFC"), pursuant to section 104 of the Securities and Futures Ordinance.

However, in recent years very few new investors have subscribed for shares in the Company ("Shares"). The directors of the Company ("Directors") have now been notified of a very significant repurchase request (being approximately 88% of the Shares in issue) and on such repurchase will significantly reduce the fund size of the Company. The Directors consider that it is unlikely that the Company will be able to attract new investors and in the event that a very significant repurchase request, as mentioned above, is received, the Company will no longer be viable as the fund size will be less than US\$4 million and as a consequence may cause other shareholders of the Company ("Shareholders") to request repurchase of their respective holdings thereby causing the fund size to further reduce.

REPURCHASE OR SWITCH

The Directors have, therefore, decided to invite all Shareholders to submit a repurchase notice in respect of their holdings in the Company. Repurchases will be executed at the repurchase price based on the net asset value as described in the Company's most recent Explanatory Memorandum dated 14 July 1999. Investors can submit a repurchase notice on any valuation day, being a Hong Kong Business Day on which the net asset value of the Company is determined. As an alternative, Shareholders will also be offered to switch their investment in the Company into other funds managed by the manager of the Company, Deutsche Asset Management (Asia) Limited ("Manager") or one of its affiliates, being any sub-funds of the Scudder Global Opportunities Funds which is authorised by the SFC pursuant to section 104 of the Securities and Futures Ordinance.*

WINDING-UP AND EGM

In order to bring some certainty to the process of closing down the Company, and to ensure compliance with Cayman Islands law, the Directors have resolved to convene an Extraordinary General Meeting ("EGM") to consider a resolution to wind-up the Company and appoint a liquidator in accordance with Part V of the Companies Law (2004 Revision) of the Cayman Islands. This will ensure that the Company can be legally terminated. Any Shareholders remaining in the Company at the time when it is placed in liquidation will participate in the liquidation and share in the remaining assets of the Company, after liquidation expenses and all other liabilities have been fully paid.

After the EGM, assuming the winding-up resolution is approved, Shareholders will no longer be able to subscribe for or request transfer or repurchase of Shares as the Company will be in liquidation. The Shares will be delisted from the SEHK following the winding-up resolution being passed and the Company's authorisation by the SFC pursuant to section 104 of the Securities and Futures Ordinance will be withdrawn. Shares will not be offered for subscription and redemption following commencement of winding-up of the Company.

A circular containing details of the winding-up proposal, together with a Notice of an Extraordinary General Meeting of the Company to consider and approve such proposal, will be despatched to all Shareholders of the Company as soon as possible after the date of this announcement.

Application for the withdrawal of the listing of the Shares from the SEHK was made to the SEHK. The SEHK granted its conditional approval for such proposal subject only to the Shareholders approving the winding-up of the Company.

A further announcement will be made by the Company after the EGM to confirm the results of the vote on the resolution in respect of the winding-up of the Company, and the withdrawal of listing of the Shares from the SEHK.

ESTIMATED TIMETABLE FOR WINDING-UP

The estimated timetable for the winding-up process is set out below:-

Last day for submitting Repurchase Notice	29 December 2004
Record Date for EGM	29 December 2004 (6:00 p.m.)
EGM	30 December 2004 (10:00 a.m.)
Proposed last day for trading of Shares on the Stock Exchange	3 January 2005
Withdrawal of listing of Shares	6 January 2005
Adjourned EGM, if required	14 January 2005

Note that if the EGM is adjourned to 14 January 2005 and the resolutions are passed on that date the last day for trading of Shares on the Stock Exchange will be 18 January 2005 and the date of withdrawal of the listing of Shares will be 21 January 2005.

Trading of Shares on the Stock Exchange will be permitted between the Record Date for EGM on 29 December 2004 and the proposed last day for trading of Shares on the Stock Exchange on 3 January 2005 (or on 18 January 2005 if an adjourned EGM is required to be convened).

After 29 December 2004, Shares can not be repurchased or switched.

A public announcement will be made in respect of the result of the EGM or adjournment of EGM on 31 December 2004, being the date following the date of EGM. If an adjourned EGM is required to be convened, a public announcement will be made in respect of the result of the adjourned EGM on 17 January 2005, being the Business Day following the date of the adjourned EGM.

Please note that the liquidation process will be completed between 3 to 5 months after the date of EGM or adjourned EGM, if required.

The Directors accept responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge and belief, all opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

A Circular containing further information in respect of the winding-up proposal dated 26 November 2004 will be dispatched to the Shareholders on 30 November 2004.

By Order of the Board
Fortis Prime Fund Solutions (Asia) Limited
(Formerly known as Fortis Fund Services (Asia) Limited)
Assistant Secretary

26 November 2004

* *Such authorisation does not imply any official approval or recommendation of the Company by the SFC.*

Please also refer to the published version of this announcement in The South China Morning Post-Classified.