

## PROFIT AND LOSS ACCOUNT

For the six months ended 30 June 2001

The Directors of the HSBC China Fund Limited announce the following unaudited interim results of the Company for the six months ended 30 June 2001:

	Notes	2001 (unaudited) US\$	2000 (unaudited) US\$
<b>GROSS REVENUE</b>			
Interest income		116,503	209,524
Realised gains/(losses) from sale of investments:			
Listed securities		-	(792,621)
Unlisted investment		-	600,000
Dividend income from:			
Listed securities		10,309	32,446
Unlisted securities		-	128,488
		126,812	177,837
<b>EXPENSES</b>			
Investment manager's fee and incentive fee		(93,450)	(217,463)
Write-back of provision for doubtful accounts receivable		-	64,829
Other operating expenses		(148,566)	(179,405)
		(242,016)	(332,039)
<b>LOSS BEFORE TAX</b>		(115,204)	(154,202)
Tax	4	-	(2,646)
<b>NET LOSS FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS</b>		(115,204)	(156,848)
<b>LOSS PER SHARE</b>	6	(US\$0.0047)	(US\$0.0064)
<b>OTHER TRANSFERS TO/(FROM) RESERVES</b>			
Share premium		-	(3,813,220)
Investment revaluation reserve		(1,772,057)	734,934