

**PROFIT AND LOSS ACCOUNT** (For the six months ended 30 June 2004)

The Directors of The HSBC China Fund Limited present the following unaudited interim results of the Company for the six months ended 30 June 2004:

	Notes	Six months ended 30 June	
		2004 (unaudited) US\$	2003 (unaudited) US\$
<b>GROSS REVENUE</b>			
Interest income .....		232	16,593
<b>EXPENSES</b>			
Investment manager's fee .....		—	(65,932)
Other operating expenses .....		(233,544)	(160,296)
		(233,544)	(226,228)
<b>LOSS BEFORE TAX</b> .....	4	(233,312)	(209,635)
<b>TAX</b> .....	5	—	—
<b>NET LOSS FROM ORDINARY ACTIVITIES</b>			
<b>ATTRIBUTABLE TO SHAREHOLDERS</b> .....		(233,312)	(209,635)
<b>LOSS PER SHARE</b> .....	6	(0.0096)	(0.0086)
<b>SPECIAL INTERIM DIVIDEND PER SHARE</b> .....	7	—	0.1429