

The Greater China Fund, Inc. Approves and Announces Terms of Rights Offering

08 Nov 2005

NEW YORK, N.Y., November 8, 2005 - The board of directors of The Greater China Fund, Inc. (NYSE: GCH) has approved the Fund's intention to conduct a transferable rights offering of additional common stock of the Fund. The primary purpose of the offer is to enable the Fund to take advantage more fully of available existing and future investment opportunities consistent with its investment objective for long-term capital appreciation through investment primarily in listed equity securities of China companies. The offer will also provide shareholders the opportunity to purchase shares at a discount to both the market price and net asset value. The offer will be made only by means of a prospectus.

Pursuant to announced terms of the offer, the Fund will issue to shareholders of record as of the record date one transferable right for each share of common stock held on the record date. Each shareholder on the record date and each other holder of rights is entitled to subscribe for one share of common stock for every three rights held (1 for 3); however any shareholder on the record date who is issued fewer than three rights will be able to subscribe for one share of common stock. Fractional shares will not be issued.

The subscription price per share will be 90% of the lower of (1) the average of the last reported sales price of a share of the Fund's common stock on the New York Stock Exchange on the date on which the offer expires (the expiration date) and the four preceding business days and (2) the net asset value per share of the Fund's common stock as of close of business on the expiration date.

The record date for the rights offering is currently expected to be November 18, 2005. The proposed subscription period is currently anticipated to expire on December 16, 2005, unless extended by the Fund. The Fund expects that subscription forms, together with the prospectus, will be mailed to record date shareholders within the United States within three business days following the record date. Shareholders who hold their shares in street name will receive these materials from their bank or broker.

Shareholders of record who exercise all rights issued to them will be entitled to subscribe for additional shares at the subscription price pursuant to an oversubscription privilege. To the extent that sufficient shares are not available to honor all requests for oversubscriptions, any remaining unsubscribed shares will be allocated pro rata among those shareholders who oversubscribe based on the number of shares they owned on the record date.

A definitive announcement of the commencement of the offer and the record date will be made through a prospectus as well as the public media. The final terms of the offer may be different from those discussed above. Shareholders should be sensitive to these subsequent announcements. Shareholders who have questions regarding the rights offering should contact the information agent for the offer, The Altman Group Inc., at (800) 370-1749 beginning November 9.

The Fund is a non-diversified, closed-end management investment company that seeks long-term capital appreciation through investing primarily in listed equity securities of China companies, which are companies that (i) are organized under the laws of China or Hong Kong or (ii) during their most recent fiscal year derived at least 50% of their revenues or profits from goods produced or sold, investments made or services performed in China or Hong Kong or have at least 50% of their assets in China or Hong Kong. The Fund's investment adviser is Baring Asset Management (Asia) Limited.

Before investing in the Fund, investors should carefully consider the investment objectives, risks, and charges and expenses of the Fund. This information, including other information concerning the Fund, can be found on file with the U.S. Securities and Exchange Commission. An investor should carefully read the registration statement before investing.

A registration statement relating to these securities has been filed with the U.S. Securities and Exchange Commission but has not yet become effective. The information in the registration statement is not complete and may be changed. These securities may not be sold nor may offers be accepted prior to the time the registration statement becomes effective. This announcement is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

(END)

Contact:

Joseph T. Malone
Treasurer and Secretary
(212) 882-5983

>> [Back to the main press releases page](#)