

**Notice To Street Name Holders****03 Jul 2008****IMPORTANT NOTICE REGARDING CASH ELECTION FOR CAPITAL GAIN  
DISTRIBUTION PAYABLE JULY 31, 2008**

The Greater China Fund, Inc. (the "Fund") (CUSIP: 39167B102)

**No action is required to receive your \$6.66 per share distribution in shares.**

Dear Stockholder:

On June 20, 2008, the Board of Directors of the Fund declared a capital gain distribution of \$6.66 per share. **If you would like to receive your distribution in shares, no further action is required.**

The distribution will be payable on July 31, 2008 to stockholders of record on June 30, 2008 with an ex-dividend date of June 26, 2008. The distributions comprise \$1.77 per share of short-term capital gains and \$4.89 per share of long-term capital gains. The distributions will be made in newly issued shares of the Fund's common stock unless you request to receive the distribution in cash in the manner described below. If you do not request to receive your distribution in cash, you will receive your \$6.66 per share in newly issued full shares of the Fund's common stock plus cash in lieu of any fraction of a share. Stockholders requesting that their distributions be paid in cash in lieu of common stock must make such requests for the entire distribution payable to such stockholder.

To receive your entire distribution in cash (subject to proration as described below), contact your financial advisor by 4:00 p.m. (Eastern Daylight Time) on July 21, 2008 (or by any earlier deadline established by your financial advisor). Your financial advisor will be instructed to send the cash elections to the Fund through the Depository Trust & Clearing Corporation by 8:00 p.m. (Eastern Daylight Time) on July 21, 2008.

The Fund will limit the aggregate amount of cash to be paid out in the distributions to all stockholders to \$33,577,621, which represents 30% of the aggregate dollar amount of the total distributions. If cash distribution requests exceed this limit, the aggregate cash price will be limited to \$33,577,621 and each stockholder requesting cash will receive a pro-rata portion of the cash paid. The pro-rata portion will be based on the total amount of the distributions to be paid to that stockholder relative to the total amount of the distributions to be paid to all stockholders requesting cash. Requesting stockholders who do not receive 100% of their distributions in cash, will receive the balance in common stock.

If you do not contact your financial advisor by 4:00 p.m. (Eastern Daylight Time) on July 21, 2008 (or by any earlier deadline established by your financial advisor) to make a cash election, you will receive this distribution in newly issued shares of the Fund's common stock.

**How Distribution in Shares will be Calculated**

Unless you elect to receive your distribution in cash (and, if those stockholders requesting cash are pro-rated, with respect to the balance of the distributions to be paid in shares), the number of shares to be issued to you will be based on the market price per share of the Fund's common stock on July 24, 2008, or by the net asset value per share on that date, whichever is lower (but not at a discount of more than 5% from the market price). The market price of the Fund's common stock for this purpose will be the last sales price on the New York Stock Exchange on July 24, 2008. The market price of the Fund's common stock will be adjusted to reflect the distributions and will be quoted ex-distribution on June 26, 2008.

The shares of the Fund are currently trading at a discount from their net asset value. If the July 24, 2008 market price is less than the net asset value, the issuance of shares at the lower market price will result in a decrease in the per share net asset value of the remaining shares of the Fund. Stockholders electing to receive the distribution in cash will not realize the offsetting benefit of acquiring newly issued shares at a discount to net asset value.

You should also be aware that by electing to receive cash rather than shares, your percentage ownership of the Fund will be reduced.

### **Tax Information**

Whether you receive these distributions in newly issued Fund shares or in cash, the full amount of these distributions may be reportable on your 2008 federal income tax return. In January 2009 the Fund will send notices to stockholders regarding the federal income tax status of all distributions made for the 2008 calendar year. The Fund's distributions may also be subject to state and local taxes, and you should consult your tax advisor regarding your tax situation.

Further information about the Fund, including its audited financial statements for the fiscal year ended December 31, 2007, is contained in the Annual Report, which is available on the Fund's website at [www.greaterchinafund.com](http://www.greaterchinafund.com), or can be obtained, without charge, by calling the Fund at (800) 331-1710.

---

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