In the mid-nineteenth century, Britain acquired Hong Kong from the Qing dynasty in three parts via three separate legal agreements. Unlike the international agreements that ceded Hong Kong Island and the Kowloon Peninsula to the British indefinitely, Britain’s possession of the New Territories had a fixed expiration date of July 1, 1997. As the expiration date of the New Territories Lease approached, British officials responded to investor fears about the future of Hong Kong and determined that they held strong legal and economic arguments to advocate for continued British administration after 1997. By 1984, however, Britain relinquished their sovereign claims to Hong Kong and retreated from the territory. This thesis underscores how Britain’s miscalculations concerning the strength of their legal and economic arguments as well as China’s tough negotiating constraints led Britain to change their policy and eventually cede sovereignty of territory otherwise guaranteed to them under international law. Moreover, it evaluates how China undermined Britain’s attempts to advocate for the Hong Kong people in a direct way and evaluates the relative success of the negotiated outcome for Britain.