

CHINA FUND INC  
Form N-Q  
March 31, 2010

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM N-Q  
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY  
Investment Company Act file number: 811-05749**

**THE CHINA FUND, INC.**

(Exact name of registrant as specified in charter)  
c/o STATE STREET BANK AND TRUST COMPANY  
2 AVENUE DE LAFAYETTE  
P.O. BOX 5049  
BOSTON, MA 02206-5049

(Address of principal executive offices)(Zip code)

(Name and Address of Agent for  
Service)

Copy to:

Elizabeth A. Watson  
Secretary  
The China Fund, Inc.  
4 Copley Place, 5<sup>th</sup> Floor  
Boston, MA 02116

Leonard B. Mackey, Jr., Esq.  
Clifford Chance U.S. LLP  
31 West 52<sup>nd</sup> Street  
New York, New York 10019

Registrant's telephone number, including area code: (888) 246-2255

Date of fiscal year end: October 31

Date of reporting period: January 31, 2010

**TABLE OF CONTENTS**

Item 1. Schedule of Investments

Item 2. Controls and Procedures

Item 3. Exhibits

**SIGNATURES**

Certifications

---

**Table of Contents**

**Item 1. Schedule of Investments.**

---

**Table of Contents**
**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS**  
**January 31, 2010 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>		
<b>HONG KONG</b>		
<b>Consumer Discretionary (4.5%)</b>		
FU JI Food & Catering Services ^ * # (2)	5,462,000	\$
Intime Department Store Group Co., Ltd. (1)	12,568,629	10,761,574
Ports Design, Ltd. (1)	4,549,500	12,271,961
Shangri-La Asia, Ltd.	3,061,555	5,353,134
Yorkey Optical International Cayman, Ltd. #	7,758,926	1,578,429
		29,965,098
<b>Consumer Staples (1.6%)</b>		
Chaoda Modern Agriculture (Holdings), Ltd. (1)	10,507,357	10,349,544
<b>Energy (1.6%)</b>		
Fushan International Energy Group, Ltd.	12,018,000	10,382,955
<b>Health Care (6.3%)</b>		
China Pharmaceutical Group, Ltd.	12,918,000	6,603,164
China Shineway Pharmaceutical Group, Ltd.	11,184,000	19,641,642
Golden Meditech Co., Ltd. * # (1)	35,040,000	6,902,744
Natural Beauty Bio-Technology, Ltd. #	47,740,000	8,666,980
		41,814,530
<b>Utilities (1.8%)</b>		
Xinao Gas Holdings, Ltd. (1)	5,084,000	12,096,891
<b>TOTAL HONG KONG</b> (Cost \$56,169,941)	15.8%	104,609,018
<b>HONG KONG H SHARES</b>		
<b>Consumer Staples (3.8%)</b>		
Wumart Stores, Inc. #	14,888,000	24,919,882
<b>Financials (0.8%)</b>		
China Pacific Insurance Group Co., Ltd. *	1,463,442	5,445,523
<b>Health Care (8.7%)</b>		
Shandong Weigao Group Medical Polymer Co., Ltd. # (1)	7,808,000	28,651,735
Sinopharm Medicine Holding Co., Ltd. * # ~ (1) (2)	7,786,000	29,220,259
		57,871,994

**Industrials (0.9%)**

Anhui Expressway Co., Ltd.	8,426,300	5,836,943
----------------------------	-----------	-----------

**Materials (0.8%)**

Zijin Mining Group Co., Ltd.	6,402,000	5,226,022
------------------------------	-----------	-----------

See notes to schedule of investments.

**Table of Contents**

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>		
<b>(continued)</b>		
<b>HONG KONG H SHARES (continued)</b>		
<b>Telecommunications (1.3%)</b>		
ZTE Corp. (1)	1,461,926	\$ 8,583,344
<b>TOTAL HONG KONG H SHARES</b>		
(Cost \$59,825,982)	16.3%	107,883,708
<b>TOTAL HONG KONG (INCLUDING H SHARES)</b>		
(Cost \$115,995,923)	32.1%	212,492,726
<b>SINGAPORE</b>		
<b>Consumer Staples (4.4%)</b>		
China Fishery Group, Ltd. * # (1)	13,255,000	16,502,739
Hsu Fu Chi International, Ltd. #	9,484,000	12,819,863
		29,322,602
<b>Financials (0.7%)</b>		
Financial One Corp. *	12,030,000	4,364,898
<b>Information Technology (0.4%)</b>		
CDW Holding, Ltd. #	54,708,000	2,821,806
<b>TOTAL SINGAPORE (Cost \$22,845,878)</b>	<b>5.5%</b>	<b>36,509,306</b>
<b>TAIWAN</b>		
<b>Consumer Discretionary (4.9%)</b>		
FamilyMart Co., Ltd. #	4,501,652	8,412,591
Far Eastern Department Stores, Ltd.	19,066,931	18,263,572
Synnex Technology International Corp.	2,809,240	5,786,264
		32,462,427
<b>Consumer Staples (2.6%)</b>		
Lien Hwa Industrial Corp. #	16,476,881	7,762,382
Uni-President Enterprises Corp.	9,112,638	9,755,595
		17,517,977
<b>Financials (7.2%)</b>		
Cathay Financial Holding Co., Ltd. *	6,454,000	10,949,940

Edgar Filing: CHINA FUND INC - Form N-Q

Fubon Financial Holdings Co., Ltd. *	4,948,000	5,792,750
KGI Securities Co., Ltd.	16,984,780	8,028,241
Ruentex Development Co., Ltd.	12,694,000	16,053,265
See notes to schedule of investments.		



**Table of Contents**

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS (continued)</b>		
<b>TAIWAN (continued)</b>		
Yuanta Financial Holdings Co., Ltd.	10,520,593	\$ 6,718,215
		47,542,411
	<b>Face Amount</b>	
<b>Financials (0.9%)</b>		
Taiwan Life Insurance Co., Ltd., 4.0% 12/28/14 @ (2)	200,000,000	6,260,565
	<b>Shares</b>	
<b>Information Technology (4.0%)</b>		
HTC Corp.	891,900	8,794,481
Taiwan Secom Co., Ltd. #	4,738,000	7,638,108
WPG Holdings Co., Ltd.	6,320,000	9,852,126
		26,284,715
<b>Materials (1.9%)</b>		
China Metal Products Co., Ltd.	9,200,278	12,383,771
<b>TOTAL TAIWAN</b> (Cost \$105,555,963)	21.5%	142,451,866
<b>UNITED KINGDOM</b>		
<b>Health Care (5.0%)</b>		
China Medical System Holdings, Ltd. #	3,623,188	33,202,905
<b>TOTAL UNITED KINGDOM</b> (Cost \$9,940,990)	5.0%	33,202,905
<b>UNITED STATES</b>		
<b>Consumer Discretionary (0.4%)</b>		
The9, Ltd., ADR (1)	358,900	2,444,109
<b>Energy (1.1%)</b>		
Far East Energy Corp. * #	14,565,477	7,282,738
<b>Health Care (3.0%)</b>		
Mindray Medical International, Ltd., ADR (1)	191,700	6,684,579
WuXi PharmaTech Cayman, Inc., ADR * (1)	883,490	13,287,690

19,972,269

**Information Technology (1.8%)**

Hollysys Automation Technologies, Ltd. \*

530,000

6,095,000

See notes to schedule of investments.

3

---

**Table of Contents**

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>		
<b>(continued)</b>		
<b>UNITED STATES (continued)</b>		
Sina Corp. * (1)	162,700	5,883,232
		11,978,232
<b>TOTAL UNITED STATES</b> (Cost \$42,800,589)	6.3%	41,677,348
<b>TOTAL COMMON STOCK AND OTHER EQUITY INTERESTS</b> (Cost \$297,139,343)	70.4%	466,334,151
<b>EQUITY LINKED SECURITIES</b>		
<b>Consumer Staples (4.3%)</b>		
Dalian Zhangzidao Fishery Group Co., Ltd. Access Product (expiration 01/17/12) 144A, * (3)	1,260,565	\$ 7,235,643
Shenzhen Agricultural Products Co., Ltd. Access Product (expiration 01/17/12) 144A, (3)	6,800,000	15,419,231
Wuliangye Yibin Co., Ltd. Access Product (expiration 01/20/15) 144A, * (3)	1,403,507	6,001,396
		28,656,270
<b>Energy (1.2%)</b>		
China Yangtze Power Co., Ltd. Access Product (expiration 10/26/10) 144A, (4)	4,169,077	7,804,654
<b>Financials (3.1%)</b>		
Citic Securities Co., Ltd. China (expiration 09/23/13) 144A, * (4)	1,350,600	5,594,857
Shanghai Yuyuan Tourist Mart Co., Ltd. (expiration 03/26/14) 144A, (4)	2,385,020	9,687,789
Zhejiang Guyuelongshan Access Product (expiration 10/07/13) 144A, (4)	3,658,900	4,973,718
		20,256,364
<b>Industrials (4.9%)</b>		
Daqin Railway Co., Ltd. Access Product (expiration 11/02/11) 144A, * (4)	4,807,000	6,865,333
Shanghai International Airport Co., Ltd. Access Product (expiration 01/20/15) 144A, * (3)	2,526,700	6,865,044
	1,800,000	4,891,018

Edgar Filing: CHINA FUND INC - Form N-Q

Shanghai International Airport Co., Ltd. Access Product (expiration 10/26/10) 144A, (4)			
Shanghai Qiangsheng Holding Co., Ltd. (expiration 11/13/14) 144A, (4)	4,800,000		5,990,505
Suning Appliance Co., Ltd. Access Product (expiration 01/20/15) 144A, (3)	2,874,013		7,679,363
			32,291,263
<b>TOTAL EQUITY LINKED SECURITIES</b> (Cost \$58,767,954)		13.5%	89,008,551

See notes to schedule of investments.

4

---

**Table of Contents**

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>DIRECT INVESTMENTS</b>		
<b>Consumer Discretionary (7.1%)</b>		
Queenbury Investments, Ltd., (Huiyin) (acquired 05/06/08) * # (2)	450	47,108,700
<b>Industrials (1.5%)</b>		
Highlight Tech Corp., (acquired 09/12/07) * # (2) (5) (6)	1,683,447	3,000,000
Qingdao Bright Moon Seaweed Group Co., Ltd., (acquired 02/28/08) * # (2) (6)	31,827,172	6,842,842
		9,842,842
<b>Information Technology (2.0%)</b>		
China Silicon Corp. Common Stock, (acquired 01/08-01/10) * # (2)	1,234,405	\$ 1,049,244
China Silicon Corp. Warrants (expiration 11/30/10), (acquired 11/30/07) * # (2)	685,450	
China Silicon Corp., Series A Preferred (acquired 11/30/07) # (2)	27,418	4,241,565
HAND Enterprise Solutions, Ltd., (acquired 02/01/07) * # (2)	500,000	7,669,000
teco Optronics Corp., (acquired 04/26/04) * (2)	1,861,710	
		12,959,809
	<b>Face Amount</b>	
<b>Industrials (3.4%)</b>		
Ugent Holdings, Ltd., 12.0% 06/04/12 (acquired 04/06/09) * # @ (2)	177,000,000	22,789,749
<b>TOTAL DIRECT INVESTMENTS (5)</b> (Cost \$82,889,798)	14.0%	92,701,100
	<b>Shares</b>	
<b>COLLATERAL FOR SECURITIES ON LOAN (6.5%)</b>		
State Street Navigator Prime Portfolio	43,191,369	43,191,369
<b>TOTAL COLLATERAL FOR SECURITIES ON LOAN</b> (Cost \$43,191,369)	6.5%	43,191,369

See notes to schedule of investments.

**Table of Contents**

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

<b>Name of Issuer and Title of Issue</b>	<b>Principal Amount</b>	<b>Value (Note A)</b>
<b>SHORT TERM INVESTMENTS</b>		
<b>UNITED STATES</b>		
Repurchase Agreement with State Street Bank and Trust, 0.14%, 01/29/10 (7)	15,130,000	15,130,000
<b>TOTAL UNITED STATES</b> (Cost \$15,130,000)	2.3%	15,130,000
<b>TOTAL INVESTMENTS**</b> (Cost \$497,118,464)	106.7%	706,365,171
<b>OTHER ASSETS AND LIABILITIES</b>	(6.7)%	(44,193,284)
<b>NET ASSETS</b>	100.0%	\$ 662,171,887

Notes to Schedule of  
Investments

(A) Portfolio securities listed on recognized United States or foreign securities exchanges are valued at the last quoted sales price in the principal market where they are traded. Listed securities with no such sales price and unlisted securities are valued at the mean between the current bid and asked prices, if any, of

two brokers.  
Short-term investments having maturities of sixty days or less are valued at amortized cost (original purchase cost as adjusted for amortization of premium or accretion of discount) which when combined with accrued interest approximates market value. Open end investment companies are valued at net asset value per share. Securities for which market quotations are readily available are valued at current market value. Securities for which market quotations are not readily available are valued at fair value using methods determined in good faith by or at the direction of the Board of Directors considering relevant factors, data and information including, if

relevant, the market value of freely tradable securities of the same class in the principal market on which such securities are normally traded.

Direct

Investments not traded on an exchange are valued at fair value as determined by the Board of Directors based on financial and other

information supplied by the Direct

Investment

Manager

regarding each

Direct

Investment.

Forward

currency

contracts are

valued at the

current cost of

offsetting the

contract.

The Fund's

investments in

China

companies

involve certain

risks not

typically

associated with

investments in

securities of

U.S. companies

or the U.S.

Government,

including risks



relating to  
(1) social,  
economic and  
political  
uncertainty;  
(2) price  
volatility, lesser  
liquidity and  
smaller market  
capitalization of  
securities  
markets in  
which securities  
of China  
companies  
trade;  
(3) currency  
exchange  
fluctuations,  
currency  
blockage and  
higher rates of  
inflation;  
(4) controls on  
foreign  
investment and  
limitations on  
repatriation of  
invested capital  
and on the  
Fund's ability to  
exchange local  
currencies for  
U.S. dollars; (5)  
governmental  
involvement in  
and control over  
the economy;  
(6) risk of  
nationalization  
or expropriation  
of assets; (7) the  
nature of the  
smaller, less  
seasoned and  
newly organized  
China  
companies,  
particularly in  
China; and  
(8) the absence

of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation.

^ Security is deemed worthless.

\* Denotes non-income producing security.

# Illiquid security. At January 31, 2010, these illiquid securities amounted to \$289,084,261, which represents 43.66% of total net assets.

Affiliated issuer (see Note B).

@ The security contains a feature or option to be converted into common stock.

~ Restricted security. At January 31, 2010, these restricted securities

amounted to  
cost of  
\$16,252,377 and  
valued at  
\$29,220,259,  
which  
represents  
4.41% of total  
net assets.

- (1) A portion or all  
of the security  
was held on  
loan. As of  
January 31,  
2010, the  
market value of  
the securities  
loaned was  
\$41,080,727.

**Table of Contents**

**THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS (continued)  
January 31, 2010 (Unaudited)**

- (2) Security valued at fair value using methods determined in good faith by or at the direction of the Board of Directors.
- (3) Equity linked securities issued by Citigroup Global Markets Holdings.
- (4) Equity linked securities issued by Credit Lyonnais (CLSA).
- (5) Direct investments are generally restricted as to resale and do not have a readily available resale market. On the date of acquisition of each direct investment, there were no market quotations on similar securities, and such investments were therefore valued in good faith by the Board of Directors at fair

market value.

(6) The Fund holds a put option which allows the Fund to sell the investment for a value at least equal to the purchase price under certain circumstances.

(7) Repurchase agreement, dated 01/29/10, due 02/01/10 with repurchase proceeds of \$15,130,013 is collateralized by US Treasury Bill 0.14% due 07/22/10 with a market value of \$15,434,189.

144A Securities restricted for resale to Qualified Institutional Buyers. At January 31, 2010, these restricted securities amounted to \$89,008,551, which represented 13.44% of total net assets.

ADR American Depositary Receipt.

\*\* At January 31, 2010, the cost of

investment securities for tax purposes was \$497,118,464. Net unrealized appreciation of investment securities for tax purposes was \$209,246,707, consisting of unrealized gains of \$230,139,624 on securities that had risen in value since their purchase and \$20,892,917 in unrealized losses on securities that had fallen in value since their purchase.

**Fair Value Measurement**

In accordance with FASB ASC 820-10, Fair Value Measurements and Disclosures, the Fund discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (level 3 measurements). FASB ASC 820-1035-39 to 55 provides three levels of the fair value hierarchy as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

**Table of Contents**

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

Level 3 Inputs that are unobservable.

The following is a summary of the inputs used as of January 31, 2010 in valuing the Fund's investments carried at value:

**ASSETS VALUATION INPUT**

<b>Description</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>				
<b>Hong Kong</b>				
Consumer Discretionary	\$ 29,965,098	\$	\$	\$ 29,965,098
Consumer Staples	10,349,544			10,349,544
Energy	10,382,955			10,382,955
Health Care	41,814,530			41,814,530
Utilities	12,096,891			12,096,891
<b>Total Hong Kong</b>	<b>104,609,018</b>			<b>104,609,018</b>
<b>Hong Kong H Shares</b>				
Consumer Staples	24,919,882			24,919,882
Financials	5,445,523			5,445,523
Health Care	28,651,735		29,220,259	57,871,994
Industrials	5,836,943			5,836,943
Materials	5,226,022			5,226,022
Telecommunications	8,583,344			8,583,344
<b>Total Hong Kong H Shares</b>	<b>78,663,449</b>		<b>29,220,259</b>	<b>107,883,708</b>
<b>Singapore</b>				
Consumer Staples	29,322,602			29,322,602
Financials	4,364,898			4,364,898
Information Technology	2,821,806			2,821,806
<b>Total Singapore</b>	<b>36,509,306</b>			<b>36,509,306</b>
<b>Taiwan</b>				
Consumer Discretionary	32,462,427			32,462,427
Consumer Staples	17,517,977			17,517,977
Financials	47,542,411		6,260,565	53,802,976
Information Technology	26,284,715			26,284,715
Materials	12,383,771			12,383,771
<b>Total Taiwan</b>	<b>136,191,301</b>		<b>6,260,565</b>	<b>142,451,866</b>
<b>United Kingdom</b>				
Health Care	33,202,905			33,202,905

Total United Kingdom	33,202,905	33,202,905
United States		
Consumer Discretionary	2,444,109	2,444,109
Energy	7,282,738	7,282,738
	8	

---



**Table of Contents**
**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

Description	Level 1	Level 2	Level 3	Total
Health Care	19,972,269			19,972,269
Information Technology	11,978,232			11,978,232
Total United States	41,677,348			41,677,348
TOTAL COMMON STOCK AND OTHER EQUITY INTERESTS	430,853,327		35,480,824	466,334,151
EQUITY LINKED SECURITIES				
Consumer Staples	28,656,270			28,656,270
Energy	7,804,654			7,804,654
Financials	20,256,364			20,256,364
Industrials	32,291,263			32,291,263
TOTAL EQUITY LINKED SECURITIES	89,008,551			89,008,551
DIRECT INVESTMENTS				
Consumer Discretionary			47,108,700	47,108,700
Industrials			32,632,591	32,632,591
Information Technology			12,959,809	12,959,809
TOTAL DIRECT INVESTMENTS			92,701,100	92,701,100
COLLATERAL FOR SECURITIES ON LOAN		43,191,369		43,191,369
SHORT TERM INVESTMENTS UNITED STATES		15,130,000		15,130,000
TOTAL INVESTMENTS	519,861,878	58,321,369	128,181,924	706,365,171

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ending January 31, 2010:

Balance as of	Net	Realized	Net	Balance as of	Change in
October 31,	Purchases	Gain	Change in	January 31,	Unrealized
			Transfers		Appreciation
			in		to
			Unrealized		and/or
			and/or		Balance as of
			Balance as of		held at
			January 31,		January 31,
			January 31,		January 31,
					Change in
					Unrealized
					Appreciation
					(Depreciation)
					related to
					assets
					still

<b>Investments in Securities</b>	<b>2009</b>	<b>(Sales)</b>	<b>(Loss)</b>	<b>(Depreciation)</b>	<b>Level 3</b>	<b>2010</b>	<b>2010</b>
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>							
Financials	\$	\$ 6,178,274	\$	\$ 82,291	\$	\$ 6,260,565	\$ 82,291
Health Care	27,918,189			1,302,070		29,220,259	1,302,070
	27,918,189	6,178,274		1,384,361		35,480,824	1,384,361
<b>DIRECT INVESTMENTS</b>							
Consumer Discretionary	47,108,700					47,108,700	
Industrials	34,180,814	(1,499,999)	(6,473)	(41,751)		32,632,591	(48,224)

Table of Contents

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**

	Balance as of	Net	Realized	Net	Balance as of	Change in
	October 31,	Purchases	Gain	Change in	January 31,	Unrealized
	2009	(Sales)	(Loss)	Unrealized	2010	Appreciation
Investments in Securities				and/or		(Depreciation)
				in		from
				out		Investments
				to		Held at
				Level		January 31,
				3		2010
Information Technology	13,437,401	149,543		(627,135)		963,672
	94,726,915	(1,350,456)	(6,473)	(668,886)		915,448
	\$122,645,104	\$ 4,827,818	(\$6,473)	\$ 715,475	\$ 128,181,924	\$2,299,809

**Direct Investments:** The Fund may invest up to 25% of the net proceeds from its offering of its outstanding common stock in direct investments. Direct investments are generally restricted and do not have a readily available resale market. The value of these securities at January 31, 2010 was \$92,701,100 or 14.00% of the Fund's net asset value. The table below details the acquisition date, cost, and value of the Fund's direct investments as determined by the Board of Directors of the Fund. The Fund does not have the right to demand that such securities be registered.

Security	Acquisition Date	Cost	Value
China Silicon Corp., Series A Preferred	11/30/2007	\$ 6,552,874	\$ 4,241,565
China Silicon Corp. Common Stock	01/08-01/10	1,110,784	1,049,244
China Silicon Corp. Warrants*	11/30/2007		
HAND Enterprise Solutions, Ltd.	02/01/2007	3,164,274	7,669,000
Highlight Tech. Corp.	09/12/2007	3,012,948	3,000,000
Qingdao Bright Moon Seaweed Group Co., Ltd.	02/28/2008	7,121,480	6,842,842
Queenbury Investments, Ltd. (Huiyin)	05/06/2008	38,515,190	47,108,700
teco Optronics Corp.	04/26/2004	567,320	
Ugent Holdings, Ltd.	04/06/2009	22,844,928	22,789,749
		\$ 82,889,798	\$ 92,701,100

\* Each warrant entitles the Fund to purchase twenty five shares of common stock

at an exercise  
price of  
USD\$2.98 per  
share, subject to  
adjustment.

**Table of Contents**
**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**January 31, 2010 (Unaudited)**
**NOTE B Investments in Non-Controlled Affiliates\*:**

<b>Name of Issuer</b>	<b>Balance of Shares Held October 31, 2009</b>	<b>Gross Purchases and Additions</b>	<b>Gross Sales and Reductions</b>	<b>Balance of Shares Held January 31, 2010</b>	<b>Value January 31, 2010</b>	<b>Income from Non-Controlled Affiliates</b>
CDW Holding, Ltd.	54,708,000			54,708,000	\$ 2,821,806	\$
China Medical System Holdings, Ltd.	3,623,188			3,623,188	33,202,905	840,580
China Silicon Corp. Common Stock	1,171,572	62,833		1,234,405	1,049,244	
China Silicon Corp., Series A Preferred	27,418			27,418	4,241,565	149,542
China Silicon Corp. Warrants	685,450			685,450		
Far East Energy Corp.	14,565,477			14,565,477	7,282,738	
HAND Enterprise Solutions, Ltd.	500,000			500,000	7,669,000	
Highlight Tech. Corp.	2,525,170		841,723	1,683,447	3,000,000	60,164
Qingdao Bright Moon Seaweed Group Co., Ltd.	31,827,172			31,827,172	6,842,842	
Queenbury Investments, Ltd. (Huiyin)	450			450	47,108,700	
teco Optronics Corp.	1,861,710			1,861,710		
Ugent Holdings, Ltd.	177,000,000			177,000,000	22,789,749	684,721

\* Affiliated issuers, as defined in the 1940 Act as amended, include issuers in which the Fund held 5% or more of the outstanding voting

securities.

**Table of Contents**

**Item 2. Controls and Procedures.**

- (a) The registrant's principal executive and principal financial officers have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the 1940 Act) (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this Form N-Q that includes the disclosure required by this paragraph based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934 (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

**Item 3. Exhibits.**

The certification required by Rule 30a-2(a) of the 1940 Act (17 CFR 270.30a-2(a)) is attached as an exhibit to this filing.

---

**Table of Contents**

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CHINA FUND, INC.

By: /s/ Jamie Skinner

Jamie Skinner

President and Chief Executive Officer

Date: March 25, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Jamie Skinner

Jamie Skinner

President and Chief Executive Officer

Date: March 25, 2010

By: /s/ Laura Healy

Laura F. Healy

Treasurer

Date: March 30, 2010