

CHINA FUND INC  
Form N-Q  
September 19, 2011

**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:

Tracie A. Coop  
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: July 31, 2011

**TABLE OF CONTENTS**

Item 1. Schedule of Investments

Item 2. Controls and Procedures

Item 3. Exhibits

**SIGNATURES**

**Item 1. Schedule of Investments.**

---

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS**  
**July 31, 2011 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>		
<b>CHINA A SHARES</b>		
<b>Information Technology (4.0%)</b>		
HAND Enterprise Solutions Co., Ltd. # (2)	11,238,137	\$ 30,956,121
<b>TOTAL CHINA A SHARES</b> (Cost \$3,164,274)	4.0%	30,956,121
<b>HONG KONG</b>		
<b>Consumer Discretionary (6.7%)</b>		
FU JI Food & Catering Services * ^ # (2)	5,462,000	
Huiyin Household Appliances Holdings Co., Ltd. #	160,413,750	32,310,570
Ports Design, Ltd. (1)	4,549,500	9,607,201
Shangri-La Asia, Ltd. (1)	3,316,683	8,531,428
Yorkey Optical International Cayman, Ltd. #	4,860,926	667,277
		51,116,476
<b>Consumer Staples (3.0%)</b>		
Chaoda Modern Agriculture (Holdings), Ltd. (1)	26,651,357	10,702,052
Natural Beauty Bio-Technology, Ltd. #	47,710,000	10,405,470
Sun Art Retail Group, Ltd. * #	1,598,500	2,054,867
		23,162,389
<b>Health Care (1.4%)</b>		
China Shineway Pharmaceutical Group, Ltd. (1)	3,041,000	5,126,432
Golden Meditech Co., Ltd. #	35,040,000	5,844,008
		10,970,440
<b>Information Technology (1.8%)</b>		
China Innovationpay Group, Ltd. *	146,000,000	6,462,124
Tencent Holdings, Ltd. (1)	291,000	7,578,660
		14,040,784
<b>Telecommunications (2.1%)</b>		
China Mobile, Ltd. #	1,636,500	16,260,759
<b>Utilities (3.1%)</b>		
China Water Affairs Group, Ltd. # (1)	19,976,000	6,560,726
Enn Energy Holdings, Ltd.	5,084,000	17,153,971

			23,714,697
<b>TOTAL HONG KONG</b>	(Cost \$117,124,213)	18.1%	139,265,545

See notes to schedule of investments.

1

---

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2011 (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</b>		
<b>Consumer Discretionary (5.0%)</b>		
Boshiwa International Holding, Ltd. # (1)	24,932,000	\$ 14,169,817
Wumart Stores, Inc. # (1)	9,810,750	24,518,536
		38,688,353
<b>Consumer Staples (0.8%)</b>		
Asian Citrus Holdings, Ltd. (1)	6,677,000	5,782,139
<b>Health Care (14.6%)</b>		
China Medical System Holdings, Ltd. #	72,353,760	69,711,499
Shandong Weigao Group Medical Polymer Co., Ltd. (1)	18,352,000	25,051,193
Sinopharm Group Co., Ltd. (1)	6,056,800	17,600,087
		112,362,779
<b>Industrials (1.0%)</b>		
Fook Woo Group Holdings, Ltd. * (1)	25,314,000	7,469,508
<b>Telecommunications (0.9%)</b>		
ZTE Corp. (1)	2,250,826	7,031,440
<b>TOTAL HONG KONG H SHARES</b> (Cost \$73,474,709)	22.3%	171,334,219
<b>TOTAL HONG KONG (INCLUDING H SHARES)</b> (Cost \$190,598,922)	40.4%	310,599,764
<b>SINGAPORE</b>		
<b>Consumer Staples (4.0%)</b>		
China Fishery Group, Ltd. # (1)	13,594,872	16,383,448
Hsu Fu Chi International, Ltd. #	4,091,084	14,416,719
		30,800,167
<b>Information Technology (0.4%)</b>		
CDW Holding, Ltd. #	48,208,000	3,205,319
<b>TOTAL SINGAPORE</b> (Cost \$17,306,081)	4.4%	34,005,486

**TAIWAN**

**Consumer Discretionary (7.4%)**

FamilyMart Co., Ltd. #	4,501,652	24,978,388
Far Eastern Department Stores, Ltd. (1)	11,247,604	24,495,831
See notes to schedule of investments.		

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2011 (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>		
Test-Rite International Co., Ltd. *	8,457,000	\$ 7,772,035
		57,246,254
<b>Consumer Staples (2.2%)</b>		
Lien Hwa Industrial Corp. *	933,148	763,722
Uni-President Enterprises Corp. (1)	10,023,901	16,442,597
		17,206,319
<b>Financials (8.6%)</b>		
Chinatrust Financial Holding Co., Ltd.	17,527,288	15,803,766
Fubon Financial Holdings Co., Ltd.	5,195,134	8,467,733
KGI Securities Co., Ltd. *	16,984,780	9,601,079
Ruentex Development Co., Ltd. (1)	12,694,000	19,017,558
Yuanta Financial Holdings Co., Ltd. (1)	17,683,593	12,633,109
		65,523,245
	<b>Face Amount</b>	
<b>Financials (0.9%)</b>		
Taiwan Life Insurance Co., Ltd. 4.0% 12/28/14 # @	NT\$200,000,000	7,141,683
	<b>Shares</b>	
<b>Materials (1.6%)</b>		
China Metal Products Co., Ltd. #	12,420,374	12,275,863
<b>TOTAL TAIWAN</b> (Cost \$80,652,636)	20.7%	159,393,364
<b>UNITED STATES</b>		
<b>Consumer Staples (1.1%)</b>		
China New Borun Corp., ADR * (1)	1,202,859	8,287,699
<b>Energy (0.5%)</b>		
Far East Energy Corp. * #	16,392,823	4,262,134
<b>Health Care (2.8%)</b>		

Edgar Filing: CHINA FUND INC - Form N-Q

Mindray Medical International, Ltd., ADR (1)	291,700	7,899,236
WuXi PharmaTech Cayman, Inc., ADR *	883,490	13,764,774
		21,664,010
<b>Information Technology (1.2%)</b>		
Hollysys Automation Technologies, Ltd. * (1)	925,700	6,452,129
See notes to schedule of investments.		

3

---



**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2011 (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>		
VanceInfo Technologies, Inc., ADR * (1)	134,000	\$ 2,710,820
		9,162,949
<b>TOTAL UNITED STATES</b> (Cost \$48,199,523)	5.6%	43,376,792
<b>TOTAL COMMON STOCK AND OTHER EQUITY INTERESTS</b> (Cost \$339,921,436)	75.1%	578,331,527
<b>EQUITY LINKED SECURITIES</b>		
<b>Consumer Discretionary (1.1%)</b>		
Shanghai Yuyuan Tourist Mart Co., Ltd. Access Product (expiration 03/26/14) 144A,* (4)	4,293,036	8,197,093
<b>Consumer Staples (1.8%)</b>		
Wuliangye Yibin Co., Ltd. Access Product (expiration 12/11/13) 144A,* (4)	931,000	5,496,380
Wuliangye Yibin Co., Ltd. Access Product (expiration 01/20/15) 144A,* (3)	1,403,507	8,276,481
		13,772,861
<b>Financials (4.8%)</b>		
Ping An Insurance (Group) Company of China, Ltd. Access Product (expiration 01/17/12) 144A,* (3)	1,114,259	7,703,528
Ping An Insurance (Group) Company of China, Ltd. Access Product (expiration 04/01/13) 144A,* (4)	2,661,500	18,400,514
Zhejiang China Commodities City Group Co., Ltd. Access Product (expiration 01/17/12) 144A,* (3)	5,543,940	10,694,260
		36,798,302
<b>Health Care (1.1%)</b>		
Jiangsu Yuyue Medical Equipment Co., Ltd. Access Product (expiration 02/01/16) 144A, (4)	1,936,000	8,421,838
<b>Industrials (3.3%)</b>		
China Railway Construction Corp., Ltd. Access Product (expiration 01/17/12) 144A,* (3)	3,932,600	3,216,867

Edgar Filing: CHINA FUND INC - Form N-Q

China Railway Construction Corp., Ltd. Access Product (expiration 12/16/13) 144A,* (4)	2,650,000	2,169,701
Qinghai Salt Lake Potash Co., Ltd. Access Product (expiration 01/20/15) 144A, *(3)	178,729	1,529,440
See notes to schedule of investments.		

4

---

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2011 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>EQUITY LINKED SECURITIES (continued)</b>		
<b>Industrials (continued)</b>		
Shanghai Qiangsheng Holding Co., Ltd. Access Product (expiration 01/17/12) 144A,* (3)	4,237,252	\$ 4,173,659
Shanghai Qiangsheng Holding Co., Ltd. Access Product (expiration 11/13/14) 144A,* (4)	6,245,400	6,151,669
Suning Appliance Co., Ltd. Access Product (expiration 01/20/15) 144A,* (3)	4,311,019	8,307,333
		25,548,669
<b>Materials (1.2%)</b>		
Tangshan Jidong Cement Co., Ltd. Access Product (expiration 01/20/15) 144A,* (3)	987,700	3,328,549
Tangshan Jidong Cement Co., Ltd. Access Product (expiration 08/11/15) 144A, (4)	1,849,387	6,240,668
		9,569,217
<b>TOTAL EQUITY LINKED SECURITIES</b> (Cost \$90,945,699)	13.3%	102,307,980
<b>DIRECT INVESTMENTS(5)</b>		
<b>Consumer Staples (2.0%)</b>		
Zong Su Foods (acquired 09/21/10) * # (2)	2,677	15,000,034
<b>Health Care (1.9%)</b>		
China Bright (acquired 08/27/10) * # (2) (6)	14,665,617	14,939,093
<b>Industrials (1.1%)</b>		
Qingdao Bright Moon Seaweed Group Co., Ltd., (acquired 02/28/08) * # (2) (6)	31,827,172	8,561,509
<b>Information Technology (0.0%)</b>		
China Silicon Corp. Common Stock, (acquired 01/08-09/10) * # (2)	2,301,863	
China Silicon Corp., Series A Preferred (acquired 11/30/07) * # (2)	27,418	
HAND Enterprise Solutions Pte, Ltd. Preferred (acquired 02/01/07) * # (2)	500,000	
<b>TOTAL DIRECT INVESTMENTS</b> (Cost \$45,102,635)	5.0%	38,500,636

See notes to schedule of investments.



**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2011 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COLLATERAL FOR SECURITIES ON LOAN</b>		
State Street Navigator Prime Portfolio	90,739,588	\$ 90,739,588
<b>TOTAL COLLATERAL FOR SECURITIES ON LOAN</b> (Cost \$90,739,588)		90,739,588
	11.7%	
<b>SHORT TERM INVESTMENTS</b>		
<b>UNITED STATES</b>		
Repurchase Agreement with State Street Bank and Trust, 0.01%, 08/01/11 (7)	46,896,000	46,896,000
<b>TOTAL UNITED STATES</b> (Cost \$46,896,000)		46,896,000
	6.1%	
<b>TOTAL INVESTMENTS**</b> (Cost \$613,605,358)		856,775,731
	111.2%	
<b>OTHER ASSETS AND LIABILITIES</b>		(86,586,252)
	(11.2)%	
<b>NET ASSETS</b>		\$ 770,189,479
	100.0%	

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, from 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. Securities for which market quotations are not readily available are valued at fair value in good faith by or at the direction of the Board of Directors and 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 are valued at fair value as determined by or at the direction of 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. Equity linked securities are valued at fair value primarily based on the value(s) of the security (or securities) underlying, which normally follows the same methodology as the valuation of securities listed on recognized exchanges.

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.

\* Denotes non-income producing security.

^ Security is deemed worthless.

# Illiquid security.

Affiliated issuer (see Note B).

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

See notes to schedule of investments.

**THE CHINA FUND, INC.**

**SCHEDULE OF INVESTMENTS (continued)**

**July 31, 2011 (Unaudited)**

(1) A portion or all of the security was held on loan. As of July 31, 2011, the market value of the securities loaned was \$107,227,833.

(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. The securities continue to be valued in good faith by Board of Directors at fair market value as of July 31, 2011.

(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 07/29/11, due 08/01/11 with repurchase proceeds of \$46,896,039 is collateralized by US Treasury Bill 0.20% due 08/11/11 with a market value of \$47,836,795.

144A Securities restricted for resale to Qualified Institutional Buyers. At July 31, 2011, these restricted securities amounted to \$102,307,980, which represented 13.28% of total net assets.

ADR American Depositary Receipt

\*\* At July 31, 2011, the cost of investment securities for tax purposes was \$613,605,358. Net unrealized appreciation of investment securities for tax purposes was \$243,170,373, consisting of unrealized losses of \$39,265,240 on securities that had decreased in value since their purchase and \$282,435,613 in unrealized gains on securities that had risen in value since their purchase.

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**JULY 31, 2011 (Unaudited)**

**Fair Value Measurement**

The Fund has adopted fair valuation accounting standards which establish a definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion in changes in valuation techniques and related inputs during the period. These inputs are summarized in the three broad levels listed below:

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;

Level 3 Inputs that are unobservable.

The following is a summary of the inputs used as of July 31, 2011 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>				
China A Shares				
Information Technology	\$ 30,956,121	\$	\$	\$ 30,956,121
Total China A Shares	30,956,121			30,956,121
<b>Hong Kong</b>				
Consumer Discretionary	51,116,476			51,116,476
Consumer Staples	23,162,389			23,162,389
Health Care	10,970,440			10,970,440
Information Technology	14,040,784			14,040,784
Telecommunications	16,260,759			16,260,759
Utilities	23,714,697			23,714,697
Total Hong Kong	139,265,545			139,265,545
<b>Hong Kong H Shares</b>				
Consumer Discretionary	38,688,353			38,688,353
Consumer Staples	5,782,139			5,782,139
Health Care	112,362,779			112,362,779
Industrials	7,469,508			7,469,508
Telecommunications	7,031,440			7,031,440
Total Hong Kong H Shares	171,334,219			171,334,219
<b>Singapore</b>				
Consumer Staples	30,800,167			30,800,167
Information Technology	3,205,319			3,205,319



Edgar Filing: CHINA FUND INC - Form N-Q

Total Singapore	34,005,486		34,005,486
Taiwan			
Consumer Discretionary	57,246,254		57,246,254
Consumer Staples	17,206,319		17,206,319
Financials	65,523,245	7,141,683	72,664,928
Materials	12,275,863		12,275,863
Total Taiwan	152,251,681	7,141,683	159,393,364
United States			
Consumer Staples	8,287,699		8,287,699
Energy	4,262,134		4,262,134
Health Care	21,664,010		21,664,010
Information Technology	9,162,949		9,162,949
Total United States	43,376,792		43,376,792
TOTAL COMMON STOCK AND OTHER EQUITY INTERESTS	571,189,844	7,141,683	578,331,527
EQUITY LINKED SECURITIES			
Consumer Discretionary		8,197,093	8,197,093
Consumer Staples		13,772,861	13,772,861
Financials		36,798,302	36,798,302
Health Care		8,421,838	8,421,838
Industrials		25,548,669	25,548,669
Materials		9,569,217	9,569,217
TOTAL EQUITY LINKED SECURITIES		102,307,980	102,307,980
DIRECT INVESTMENTS			
Consumer Staples		15,000,034	15,000,034
Health Care		14,939,093	14,939,093

---

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**JULY 31, 2011 (Unaudited)**

Description	Level 1	Level 2	Level 3	Total
Industrials			8,561,509	8,561,509
TOTAL DIRECT INVESTMENTS			38,500,636	38,500,636
COLLATERAL FOR SECURITIES ON LOAN		90,739,588		90,739,588
SHORT TERM INVESTMENTS				
United States		46,896,000		46,896,000
TOTAL INVESTMENTS	\$ 571,189,844	\$ 239,943,568	\$ 45,642,319	\$ 856,775,731

The Fund's policy is to recognize transfers between levels at the end of the reporting period.

For the nine months ended July 31, 2011, there was no significant security transfer activity between Level 1 and Level 2.

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the nine months ended July 31, 2011:

Investments in	Balance as of	Net	Realized	Change in	Transfers	Transfers	Balance as	Change in
Securities	October 31,	Purchases	Gain	Unrealized	to	out of	of	Unrealized
	2010	(Sales)	(Loss)	Appreciation	Level	Level 3*	July 31,	(Depreciation)
				(Depreciation)	3		2011	from
								Investments
								Held at
								July 31,
								2011
								2011
COMMON STOCK AND OTHER EQUITY INTERESTS								
Consumer Discretionary	\$ 44,491,832	\$	\$	\$ (12,181,262)	\$	\$ (32,310,570)	\$	\$
Financials	7,936,254			(794,571)			7,141,683	(794,571)
	52,428,086			(12,975,833)		(32,310,570)	7,141,683	(794,571)
DIRECT INVESTMENTS								
Consumer Staples	15,000,034						15,000,034	
Health Care	15,021,769			(82,676)			14,939,093	(82,676)
Industrials	9,293,534	(11,774,883)	(11,070,045)	22,112,903			8,561,509	(732,025)

Edgar Filing: CHINA FUND INC - Form N-Q

Information  
Technology

14,192,162	(3,164,274)		(11,027,888)			
53,507,499	(14,939,157)	(11,070,045)	11,002,339		38,500,636	(814,701)
\$ 105,935,585	\$ (14,939,157)	\$ (11,070,045)	\$ (1,973,494)	\$ (32,310,570)	\$ 45,642,319	\$ (1,609,272)

\* Transferred out of Level 3 into Level 1 because sufficient observable inputs were available.

**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. Because of the absence of any public trading market for these investments, the Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices on these sales could be less than those originally paid by the Fund. Issuers whose securities are not publicly traded may not be subject to public disclosure and other investor protections requirements applicable to publicly traded securities. The value of these securities at July 31, 2011 was \$38,500,636 or 5.0% 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.

---

**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**JULY 31, 2011 (Unaudited)**

<b>Security</b>	<b>Acquisition Date</b>	<b>Cost</b>	<b>Value</b>
China Bright	08/27/2010	\$ 14,969,436	\$ 14,939,093
China Silicon Corp., Series A Preferred	11/30/2007	6,552,875	
China Silicon Corp. Common Stock	01/08 - 09/10	1,458,811	
HAND Enterprise Solutions Pte, Ltd. Preferred *	02/01/2007		
Qingdao Bright Moon Seaweed Group Co., Ltd.	02/28/2008	7,121,479	8,561,509
Zong Su Foods	09/21/2010	15,000,034	15,000,034
		\$ 45,102,635	\$ 38,500,636

\* HAND Enterprise Solutions Co., Ltd., Common shares became a listed security as of February 1, 2011.

**NOTE B Investments in Non-Controlled Affiliates\*:**

<b>Name of Issuer</b>	<b>Balance of Shares Held October 31, 2010</b>	<b>Gross Purchases and Additions</b>	<b>Gross Sales and Reductions</b>	<b>Balance of Shares Held July 31, 2011</b>	<b>Value July 31, 2011</b>
CDW Holding, Ltd.	51,458,000		3,250,000	48,208,000	\$ 3,205,319
China Bright	14,665,617			14,665,617	14,939,093
China Medical System Holdings, Ltd.	72,353,760			72,353,760	69,711,499
China Silicon Corp. Common Stock	2,301,863			2,301,863	
China Silicon Corp., Series A Preferred	27,418			27,418	
China Silicon Corp. Warrants	685,450		685,450		
Far East Energy Corp. (1)	17,529,277		1,136,454	16,392,823	4,262,134
HAND Enterprise Solutions, Ltd. Common Stock (2)	8,027,241	11,238,137	8,027,241	11,238,137	30,956,121
HAND Enterprise Solutions Pte., Ltd. Preferred	500,000			500,000	
Huiyin Household Appliances Holdings Co., Ltd.	160,413,750			160,413,750	32,310,570
Qingdao Bright Moon Seaweed Group Co., Ltd.	31,827,172			31,827,172	8,561,509
Taiwan Life Insurance Co., Ltd.	200,000,000			200,000,000	7,141,683
Ugent Holdings, Ltd.	177,000,000		177,000,000		

Edgar Filing: CHINA FUND INC - Form N-Q

Zong Su Foods	2,677	2,677	15,000,034
---------------	-------	-------	------------

\* 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.

(1) Not Affiliated as of July 31, 2011.

(2) Additional shares acquired resulting from a corporate action.

---

**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.

---

**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: September 19, 2011

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: September 19, 2011

By: /s/ Laura F. Dell

Laura F. Dell  
Treasurer

Date: September 19, 2011