

CHINA FUND INC  
Form N-Q/A  
October 01, 2009

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**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: July 31, 2009

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**Item 1. Schedule of Investments.**

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS**  
**July 31, 2009 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>		
<b>CHINA</b>		
<b>Financials (0.9%)</b>		
Ping An Insurance Group Co. of China Ltd. (1)	614,500	\$ 5,435,281
<b>TOTAL CHINA</b> (Cost \$2,947,647)	0.9%	5,435,281
<b>HONG KONG</b>		
<b>Consumer Discretionary (6.1%)</b>		
FU JI Food & Catering Services (1)	5,462,000	5,356,215
Intime Department Store Group Co., Ltd.	12,568,629	7,703,254
Ports Design, Ltd. (1)	4,549,500	11,728,753
Shangri-La Asia, Ltd. (1)	4,755,555	7,547,429
Yorkey Optical International Cayman, Ltd. #	8,598,926	2,108,096
		34,443,747
<b>Consumer Staples (1.8%)</b>		
Chaoda Modern Agriculture (Holdings), Ltd. (1)	14,885,357	10,160,326
<b>Energy (2.3%)</b>		
China Rare Earth Holdings, Ltd. (1)	11,070,000	2,199,688
Fushan International Energy Group, Ltd. * (1)	16,044,000	10,578,552
		12,778,240
<b>Health Care (4.6%)</b>		
China Shineway Pharmaceutical Group, Ltd. #	11,184,000	10,895,240
Golden Meditech Co., Ltd. * (1)	35,040,000	6,600,999
Natural Beauty Bio-Technology, Ltd. #	48,680,000	8,291,196
		25,787,435
<b>Industrials (0.8%)</b>		
TPV Technology, Ltd. (1)	8,854,000	4,821,084
<b>Information Technology (0.9%)</b>		
Sina Corp. *	162,700	5,398,386
<b>Utilities (1.5%)</b>		
Xinao Gas Holdings, Ltd.	5,084,000	8,436,051

<b>TOTAL HONG KONG</b> (Cost \$63,159,761)		18.0%	101,825,269
<b>HONG KONG H SHARES</b>			
<b>Consumer Staples (3.8%)</b>			
Wumart Stores, Inc. #	14,888,000		21,630,544
<b>Health Care (4.9%)</b>			
China Pharmaceutical Group Ltd	12,918,000		7,350,664
See notes to Schedule of Investments.			

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS (continued)</b>		
<b>HONG KONG H SHARES (continued)</b>		
Shandong Weigao Group Medical Polymer Co., Ltd. (1)	7,808,000	\$ 20,451,659
		27,802,323
<b>Materials (1.2%)</b>		
Zijin Mining Group Co., Ltd.	7,214,000	6,757,802
<b>Telecommunications (1.2%)</b>		
ZTE Corp. (1)	1,461,926	6,404,096
<b>TOTAL HONG KONG H SHARES</b> (Cost \$40,130,551)		11.1% 62,594,765
<b>TOTAL HONG KONG (INCLUDING H SHARES)</b> (Cost \$103,290,312)		29.1% 164,420,034
<b>SINGAPORE</b>		
<b>Consumer Staples (3.9%)</b>		
China Fishery Group, Ltd. #	13,255,000	10,774,551
China Milk Products Group, Ltd.	4,923,000	1,744,350
Hsu Fu Chi International, Ltd. #	9,484,000	9,422,392
		21,941,293
<b>Financials (0.4%)</b>		
Financial One Corp. * #	12,030,000	2,465,592
<b>Information Technology (0.4%)</b>		
CDW Holding, Ltd. #	59,708,000	2,488,957
<b>TOTAL SINGAPORE</b> (Cost \$24,543,498)		4.7% 26,895,842
<b>TAIWAN</b>		
<b>Consumer Discretionary (6.1%)</b>		
FamilyMart Co., Ltd. #	4,260,652	7,298,483
Far Eastern Department Stores, Ltd. *	18,511,584	18,676,342
Merry Electronics Co., Ltd.	3,584,340	3,605,317

Synnex Technology International Corp. *	2,553,855	4,958,564
		34,538,706
<b>Consumer Staples (3.0%)</b>		
Lien Hwa Industrial Corp.	15,919,692	7,715,286
Uni-President Enterprises Corp.	8,728,581	9,059,016
		16,774,302

See notes to Schedule of Investments.



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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>		
<b>(continued)</b>		
<b>TAIWAN (continued)</b>		
<b>Financials (4.1%)</b>		
KGI Securities Co. Ltd. 144A	8,800,000	\$ 4,372,105
Ruentex Development Co., Ltd. *	12,694,000	11,549,497
Yuanta Financial Holdings Co., Ltd. *	10,520,593	7,567,849
		23,489,451
<b>Information Technology (3.7%)</b>		
HTC Corp. *	438,000	5,974,305
Taiwan Secom Co., Ltd. #	4,738,000	7,148,592
WPG Holdings Co Ltd	6,320,000	7,763,228
		20,886,125
<b>Materials (1.6%)</b>		
China Metal Products Co., Ltd.	9,019,881	8,866,470
<b>TOTAL TAIWAN</b> (Cost \$77,105,994)	<b>18.5%</b>	<b>104,555,054</b>
<b>UNITED KINGDOM</b>		
<b>Health Care (2.5%)</b>		
China Medical System Holdings, Ltd. #	3,623,188	13,926,256
<b>TOTAL UNITED KINGDOM</b> (Cost \$9,940,990)	<b>2.5%</b>	<b>13,926,256</b>
<b>UNITED STATES</b>		
<b>Consumer Discretionary (1.5%)</b>		
New Oriental Education & Technology Group, ADR * (1)	73,400	5,394,900
The9, Ltd., ADR # (1)	358,900	3,133,197
		8,528,097
<b>Energy (1.0%)</b>		
Far East Energy Corp. * #	14,565,477	5,534,881
<b>Health Care (2.6%)</b>		
Mindray Medical International, Ltd., ADR (1)	191,700	5,697,324
WuXi PharmaTech Cayman, Inc., ADR * #	836,890	8,954,723

		14,652,047
<b>TOTAL UNITED STATES</b>		
(Cost \$36,894,139)	5.1%	28,715,025
<b>TOTAL COMMON STOCK AND OTHER EQUITY</b>		
<b>INTERESTS</b> (Cost \$254,722,580)	60.8%	343,947,492

See notes to Schedule of Investments.

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>EQUITY LINKED SECURITIES</b>		
<b>Consumer Staples (4.5%)</b>		
Dalian Zhangzidao Fishery Group Co., Ltd. Access Product (expiration 01/17/12) 144A * (3)	1,100,565	\$ 4,210,762
Shenzhen Agricultural Products Co., Ltd. Access Product (expiration 01/17/12) 144A * (3)	6,800,000	11,376,298
Wuliangye Yibin Co., Ltd. Access Product (expiration 01/20/10) 144A * (3)	2,857,007	9,836,675
		25,423,735
<b>Energy (1.7%)</b>		
China Yangtze Power Co., Ltd. Access Product (expiration 10/26/10) 144A (2) (4)	4,169,077	9,604,845
<b>Financials (8.1%)</b>		
China Minsheng Banking Co. Ltd. Access Product (expiration 04/19/12) 144A (4)	758,300	965,620
China Minsheng Banking Co., Ltd. Access Product (expiration 01/21/10) 144A (3)	4,000,000	5,093,604
Citic Securities Co., Ltd. China (expiration 01/20/10) 144A * (3)	1,416,200	7,883,094
Citic Securities Co., Ltd. China (expiration 09/23/13) 144A * (4)	3,304,000	18,391,290
Financial Products, Ltd. (expiration 03/26/14) 144A (4)	238,502,000	6,325,517
Zhejiang Guyuelongshan Access Product (expiration 10/07/13) 144A (4)	6,124,000	7,394,944
		46,054,069
<b>Industrials (3.1%)</b>		
Daqin Railway Co., Ltd. Access Product (expiration 11/02/11) 144A * (4)	3,807,000	6,285,471
Shanghai International Airport Co., Ltd. Access Product (expiration 01/20/10) 144A * (3)	1,816,700	4,627,135
Suning Appliance Co., Ltd. Access Product (expiration 01/20/10) 144A * (3)	2,874,013	6,506,765
		17,419,371
<b>TOTAL EQUITY LINKED SECURITIES</b> (Cost \$69,028,766)	17.4%	98,502,020

**DIRECT INVESTMENTS**

**Consumer Discretionary (7.2%)**

Queenbury Investments, Ltd., (Huiyan) (acquired 05/06/08) * # (2) (5)	450	40,655,250
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**Industrials (2.7%)**

Highlight Tech Corp., (acquired 09/11/07) * # (2) (5) (6) See notes to Schedule of Investments.	3,366,893	6,902,130
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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

Name of Issuer and Title of Issue	Shares	Value (Note A)
<b>DIRECT INVESTMENTS (continued)</b>		
<b>INDUSTRIALS (continued)</b>		
Qingdao Bright Moon, (acquired 02/28/08) * # (2) (5) (6)	31,827,172	\$ 8,275,065
		15,177,195
<b>Information Technology (2.1%)</b>		
China Silicon Corp. Common Stock, (acquired 09/23/08) * # (2) (5)	347,904	
China Silicon Corp. Warrants (expiration 11/30/10), (acquired 11/30/07) * # (2) (5)	685,450	
China Silicon Corp., Series A Preferred (acquired 11/30/07) # (2) (5)	27,418	3,646,594
HAND Enterprise Solutions, Ltd., (acquired 05/02/07) * # (2) (5)	500,000	8,200,000
teco Optronics Corp., (acquired 04/26/04) * # (2) (5)	1,861,710	
		11,846,594
	<b>Face Amount</b>	
<b>Industrials (4.0%)</b>		
Ugent Holdings, Ltd., 12.0% 06/04/12 (acquired 04/06/09) * # (2) (5)	177,000,000	22,838,415
<b>TOTAL DIRECT INVESTMENTS</b> (Cost \$85,608,995)		16.0% 90,517,454
	<b>Shares</b>	
<b>COLLATERAL FOR SECURITIES ON LOAN (5.5%)</b>		
State Street Navigator Prime Portfolio	30,804,783	30,804,783
<b>TOTAL COLLATERAL FOR SECURITIES ON LOAN</b> (Cost \$30,804,783)		5.5% 30,804,783
<b>SHORT TERM INVESTMENTS (4.5%)</b>		
<b>UNITED STATES</b>		

Repurchase Agreement with State Street Bank and Trust, 0.23%, 08/03/09 (7)	25,353,000		25,353,000
<b>TOTAL UNITED STATES</b> (Cost \$25,353,000)		4.5%	25,353,000
<b>TOTAL INVESTMENTS</b> (Cost \$465,518,124)**		104.2%	589,124,749
<b>OTHER ASSETS AND LIABILITIES</b>		(4.2)%	(23,823,937)
<b>NET ASSETS</b>		100.0%	\$565,300,812

Notes to Schedule of Investments

See notes to Schedule of Investments.

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**THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS (continued)  
July 31, 2009 (Unaudited)**

- (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.

\* Denotes non-income producing security.

# Illiquid security.

Affiliated issuer  
(see Note B).

- (1) A portion or all of the security was held on loan. As of July 31, 2009, the market value of the securities loaned was \$29,571,451.
- (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 07/31/09,  
due 08/03/09  
with repurchase  
proceeds of  
\$25,353,021 is  
collateralized by  
US Treasury  
Bill 0.23% due  
01/14/10 with a  
market value of  
\$25,861,521.

144A securities.  
Securities  
restricted for  
resale to  
Qualified  
Institutional  
Buyers.

ADR American  
Depositary  
Receipts.

\*\* At July 31,  
2009, the cost of  
investment  
securities for tax

purposes was  
\$465,518,124.  
Net unrealized  
appreciation of  
investment  
securities for tax  
purposes was  
\$123,606,625,  
consisting of  
unrealized gains  
of \$147,922,587  
on securities  
that had risen in  
value since their  
purchase and  
\$24,315,962 in  
unrealized  
losses on  
securities that  
had fallen in  
value since their  
purchase.

See notes to Schedule of Investments.

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

**Forward Foreign Currency Contracts:**

As of July 31, 2009, the Fund had the following open forward foreign currency contracts:

<b>Currency</b>	<b>Settlement Date</b>	<b>Local Amount</b>	<b>Base Amount</b>	<b>Market Value</b>	<b>Unrealized Appreciation/ (Depreciation)</b>
CNY (Sell)	11/30/2009	122,079,803	\$ 17,382,150	\$ 17,897,480	\$ (515,330)
CNY (Buy)	11/30/2009	122,079,803	17,540,202	17,897,480	357,278
TWD (Sell)	11/30/2009	572,709,241	17,382,150	17,629,865	(247,715)
TWD (Buy)	11/30/2009	572,709,241	18,055,146	17,629,865	(425,281)
					<b>\$ (831,048)</b>

CNY Chinese Yen

TWD Taiwan Dollar

**FAS 161 Disclosures About Derivative Instruments and Hedging Activities**

In March 2008, Statement of Financial Accounting Standards 161, Disclosures about Derivative Instruments and Hedging Activities ( SFAS 161 ) was issued and is effective for fiscal years beginning after November 15, 2008. SFAS 161 is intended to improve financial reporting for derivative instruments by requiring enhanced disclosure that enables investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position.

<b>Derivatives not accounted for as hedging instruments under Statement 133</b>	<b>Foreign Exchange Contracts Risk</b>	<b>Total</b>
<b>Asset Derivatives</b>		
Forward Contracts	\$ 357,278	\$ 357,278
<b>Liability Derivatives</b>		
Forward Contracts	1,188,326	1,188,326

**FAS 157 Summary of Fair Value Disclosure**

See notes to Schedule of Investments.

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**THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS (continued)  
July 31, 2009 (Unaudited)**

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, Fair Value Measurements ( FAS 157 ), effective November 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. FAS 157 established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The valuation techniques used by the Fund to measure fair value during the nine months ended July 31, 2009 maximized the use of observable inputs and minimized the use of unobservable inputs. The Fund utilized the following fair value techniques: a multi-dimensional relational pricing model, option adjusted spread pricing and estimations of the price that would have prevailed in a liquid market for an international equity given information available at the time of evaluation.

The following is a summary of the inputs used as of July 31, 2009 in valuing the Fund's investments carried at value: See notes to Schedule of Investments.

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**  
**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>China</b>				
Financials	\$ 5,435,281	\$	\$	\$ 5,435,281
<b>Hong Kong</b>				
Consumer Discretionary	34,443,747			34,443,747
Consumer Staples	10,160,326			10,160,326
Energy	12,778,240			12,778,240
Health Care	25,787,435			25,787,435
Industrials	4,821,084			4,821,084
Information Technology	5,398,386			5,398,386
Utilities	8,436,051			8,436,051
<b>Total Hong Kong</b>	<b>101,825,269</b>			<b>101,825,269</b>
<b>HONG KONG H SHARES</b>				
Consumer Staples	21,630,544			21,630,544
Health Care	27,802,323			27,802,323
Materials	6,757,802			6,757,802
Telecommunications	6,404,096			6,404,096
<b>Total HONG KONG H SHARES</b>	<b>62,594,765</b>			<b>62,594,765</b>
<b>Singapore</b>				
Consumer Staples	21,941,293			21,941,293
Financials	2,465,592			2,465,592
Information Technology	2,488,957			2,488,957
<b>Total Singapore</b>	<b>26,895,842</b>			<b>26,895,842</b>
<b>Taiwan</b>				
Consumer Discretionary	34,538,706			34,538,706
Consumer Staples	16,774,302			16,774,302
Financials	23,489,451			23,489,451
Information Technology	20,886,125			20,886,125
Materials	8,866,470			8,866,470
<b>Total Taiwan</b>	<b>104,555,054</b>			<b>104,555,054</b>
<b>United Kingdom</b>				
Health Care	13,926,256			13,926,256



Total United Kingdom	13,926,256		13,926,256
UNITED STATES			
Consumer Discretionary	8,528,097		8,528,097
Energy	5,534,881		5,534,881
Health Care	14,652,047		14,652,047
TOTAL UNITED STATES	28,715,025		28,715,025
Total COMMON STOCK AND OTHER EQUITY INTERESTS	343,947,492		343,947,492
EQUITY LINKED SECURITIES			
Consumer Staples	25,423,735		25,423,735
Energy		9,604,845	9,604,845
Financials	46,054,069		46,054,069
Industrials	17,419,371		17,419,371
TOTAL EQUITY LINKED SECURITIES	88,897,175	9,604,845	98,502,020
DIRECT INVESTMENTS			
Consumer Discretionary		40,655,250	40,655,250
See notes to Schedule of Investments.			

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

Description	Level 1	Level 2	Level 3	Total
Industrials			38,015,610	38,015,610
Information Technology			11,846,594	11,846,594
<b>TOTAL DIRECT INVESTMENTS</b>			<b>90,517,454</b>	<b>90,517,454</b>
<b>COLLATERAL FOR SECURITIES ON LOAN</b>		30,804,783		30,804,783
<b>SHORT TERM INVESTMENTS UNITED STATES</b>		25,353,000		25,353,000
<b>FORWARD FOREIGN CURRENCY CONTRACTS</b>	357,278			357,278
<b>TOTAL INVESTMENTS</b>	<b>433,201,945</b>	<b>56,157,783</b>	<b>100,122,299</b>	<b>589,482,027</b>
Total	\$433,201,945	\$56,157,783	\$100,122,299	\$589,482,027
<b>LIABILITIES</b>				
<b>FORWARD FOREIGN CURRENCY CONTRACTS</b>	(1,188,326)			(1,188,326)

The following is a reconciliation of the fair valuations using significant unobservable inputs (Level 3) for the Fund during the period ending July 31, 2009:

Investments in Securities	Balance as of October 31, 2008	Net Purchase (Sales)	Accrued Discounts (Premiums)	Realized Gain (Loss)	Net Change in Unrealized and/or Depreciation	Balance as of July 31, 2009	Change in Unrealized Appreciation (Depreciation) from
							Investments Held at July 31, 2009
<b>COMMON STOCK AND OTHER EQUITY INTERESTS</b>							
Materials	\$ 155,259	(\$156,497)		(\$31,412)	\$ 32,650	\$	\$ 32,650
<b>DIRECT INVESTMENTS</b>							
Consumer Discretionary	38,459,700				2,195,550	40,655,250	2,195,550

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Industrials	16,675,038	18,705,865	388,218	2,246,489	38,015,610	2,246,489
Information Technology	10,011,966	391,529		1,443,099	11,846,594	1,443,099
	65,146,704	19,097,394	388,218	5,885,138	90,517,454	5,885,138
<b>EQUITY LINKED SECURITIES</b>						
Energy	3,888,986			5,715,859	9,604,845	5,715,859
	\$69,190,949	\$18,940,897	\$ 356,806	\$11,633,647	\$ 100,122,299	\$11,633,647

**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 July 31, 2009 was \$90,517,454 or See notes to Schedule of Investments.

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

16.0% 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.

<b>Security</b>	<b>Acquisition</b>		
	<b>Date</b>	<b>Cost</b>	<b>Value</b>
China Silicon Corp., Series A Preferred*	11/30/2007	\$ 6,552,874	\$ 3,646,594
China Silicon Corp. Common Stock	09/23/2008	828,011	
HAND Enterprise Solutions, Ltd.	05/02/2007	3,164,274	8,200,000
Highlight Tech. Corp	09/11/2007	6,025,894	6,902,130
Qingdao Bright Moon	02/28/2008	7,116,942	8,275,065
Queenbury Investments, Ltd., (Huiyan)	05/06/2008	38,515,190	40,655,250
Ugent Holdings, Ltd	09/17/2007	22,838,490	22,838,415
teco Optronics Corp	04/26/2004	567,320	
		\$ 85,608,995	\$ 90,517,454

\* The purchase of China Silicon Corp., Series A Preferred resulted in the Fund receiving 682,450 shares of China Silicon Corp. common stock warrants. 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.

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

<b>Name of Issuer</b>	<b>Balance of</b>	<b>Gross</b>	<b>Gross</b>	<b>Balance of</b>	<b>Value July</b>
	<b>Shares</b>	<b>Purchases</b>	<b>Sales and</b>	<b>Shares</b>	
	<b>Held</b>	<b>and</b>	<b>Reductions</b>	<b>Held July</b>	<b>31, 2009</b>
	<b>October</b>	<b>Additions</b>		<b>31, 2009</b>	
	<b>31, 2008</b>				<b>31, 2009</b>

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CDW Holdings, Ltd.	60,000,000	292,000	59,708,000	\$ 2,488,957
China Medical System Holdings, Ltd.	3,623,188		3,623,188	13,926,256
See notes to Schedule of Investments.				

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**THE CHINA FUND, INC.**  
**SCHEDULE OF INVESTMENTS (continued)**  
**July 31, 2009 (Unaudited)**

<b>Name of Issuer</b>	<b>Balance of Shares Held October 31, 2008</b>	<b>Gross Purchases and Additions</b>	<b>Gross Sales and Reductions</b>	<b>Balance of Shares Held July 31, 2009</b>	<b>Value July 31, 2009</b>
China Silicon Corp. Common Stock	183,396	191,508		374,904	
China Silicon Corp. Series A Preferred	27,418			27,418	3,646,594
China Silicon Corp. Warrants	685,450			685,450	
Far East Energy Corp. HAND Enterprise Solutions, Ltd.	10,478,634	4,086,843		14,565,477	5,534,881
Highlight Tech Corp.	500,000			500,000	8,200,000
Qingdao Bright Moon	3,366,893			3,366,893	6,902,130
Queensbury Investments, Ltd. (Huiyan)	31,827,172			31,827,172	8,275,065
Ugent Holdings, Ltd.	450			450	40,655,250
teco Optronics Corp.**		177,000,000		177,000,000	22,838,415
Wuxi PAIHO**	1,861,710		11,734,701	1,861,710	

\* 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.

\*\* Securities are no longer considered affiliated as of July 31, 2009.

See notes to Schedule of Investments.

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**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.

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**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: 9/29/09

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: 9/29/09

By: /s/ Laura F. Healy

Laura F. Healy  
Treasurer

Date: 9/29/09