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CHINA FUND INC  
Form N-Q  
April 01, 2005

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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

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THE CHINA FUND, INC.

-----

(Exact name of registrant as specified in charter)

225 FRANKLIN STREET

BOSTON, MA 02110

-----

(Address of principal executive offices) (Zip code)

(Name and Address of Agent for Service)

Copy to:

Mary Moran Zeven  
Secretary  
The China Fund, Inc.  
225 Franklin Street  
Boston, MA 02110

Leonard B. Mackey, Jr., Esq.  
Clifford Chance U.S. LLP  
31 West 52nd 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, 2005

Item 1. Schedule of Investments

THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS  
JANUARY 31, 2005 (UNAUDITED)

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NAME OF ISSUER AND TITLE OF ISSUE

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SHARES

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COMMON STOCK AND OTHER EQUITY INTERESTS  
CHINA - SHENZHEN "B" SHARES  
INDUSTRIALS -- (3.4%)

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China International Marine Containers (Group) Co., Ltd. ....	3,908,395
TOTAL CHINA - SHENZHEN "B" SHARES -- (COST \$2,735,768) ....	
HONG KONG	
CONSUMER DISCRETIONARY -- (4.8%)	
China Travel International Investment Hong Kong, Ltd. ....	10,000,000
Fu JI Food & Catering Services* .....	1,160,000
Nanjing Dahe Outdoor Media Co., Ltd.*+ .....	37,500,000
TCL International Holdings, Ltd. ....	32,318,000
CONSUMER STAPLES -- (8.0%)	
Chaoda Modern Agriculture (Holdings) Ltd. ....	34,089,900
Li Ning Co. Ltd.* .....	11,400,000
Sino Golf Holdings, Ltd. ....	11,735,000
HEALTH CARE -- (5.0%)	
China Shineway Pharmaceutical Group Ltd.* .....	3,576,000
Golden Meditech Co., Ltd. ....	27,900,000
Hengan International Group Co. Ltd. ....	3,600,000
Natural Beauty Bio-Technology, Ltd. ....	32,780,000
INDUSTRIALS -- (5.4%)	
Beiren Printing Machinery Holdings Ltd.+ .....	7,000,000
China Fire Safety Enterprise Group Holdings Ltd. ....	50,380,000
Singamas Container Holdings Ltd. ....	3,000,000
TPV Technology, Ltd. ....	9,968,000
INFORMATION TECHNOLOGY -- (2.3%)	
Arcontech Corp. (a)* .....	18,386,000
Solomon Systech Ltd. ....	20,698,000
MATERIALS -- (6.8%)	
Asia Aluminum Holdings Ltd. ....	23,250,000
Asia Zirconium Ltd. ....	13,196,000
China Rare Earth Holdings, Ltd. ....	15,254,000
Fountain Set (Holdings), Ltd. ....	6,714,000
Ocean Grand Chemicals Holdings Ltd. ....	17,379,000
Zijin Mining Group Co., Ltd. ....	12,400,000
TELECOMMUNICATIONS -- (5.0%)	
China Netcom Group Corp. (Hong Kong) Ltd.* .....	4,253,000
Comba Telecom Systems Holdings Ltd. ....	16,118,000

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See Notes to Schedule of Investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 JANUARY 31, 2005 (UNAUDITED)

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NAME OF ISSUER AND TITLE OF ISSUE -----	SHARES -----
UTILITIES -- (3.1%)	
Xiniao Gas Holdings, Ltd.* .....	13,976,000
TOTAL HONG KONG -- (COST \$76,337,452) .....	
HONG KONG - "H" SHARES	
CONSUMER DISCRETIONARY -- (3.0%)	
Weichai Power Co. Ltd. ....	2,536,000
ENERGY -- (1.7%)	
Yanzhou Coal Mining Co. ....	3,146,000
INDUSTRIALS -- (7.1%)	
BYD Co., Ltd .....	3,225,000
Guangshen Railway Co., Ltd. ....	4,042,000
Sinotrans Limited .....	12,835,000
Weiqiao Textile Co. Ltd. ....	1,854,500
UTILITIES -- (6.2%)	
Anhui Expressway Co., Ltd. ....	13,938,000
Shenzhen Expressway Co., Ltd. ....	21,494,000
TOTAL HONG KONG - "H" SHARES -- (COST \$27,576,339) .....	
TOTAL HONG KONG (INCLUDING "H" SHARES) -- (COST \$103,913,791) ...	
TAIWAN	
CONSUMER DISCRETIONARY -- (6.4%)	
Merry Electronics Co., Ltd. ....	3,012,016
Synnex Technologies International, Corp. ....	5,165,604
Taiwan FamilyMart Co., Ltd. ....	1,567,231

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FINANCIALS -- (3.4%)	
Cathay Financial Holding Co., Ltd. ....	2,331,000
Fubon Financial Holdings Co., Ltd. ....	4,453,952
INDUSTRIALS -- (5.9%)	
Cheng Shin Rubber Industry Co., Ltd. ....	3,805,974
Chicony Electronics Co., Ltd. ....	2,404,152
ET Internet Technology Corp.* ....	7,136,000
Eva Airways Corp.* ....	11,300,000
INFORMATION TECHNOLOGY -- (6.1%)	
Data Systems Consulting Co., Ltd. ....	4,237,987
Soft-World International Corp. ....	933,457
Taiwan Green Point Enterprises Co., Ltd. ....	2,155,749

See Notes to Schedule of Investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 JANUARY 31, 2005 (UNAUDITED)

NAME OF ISSUER AND TITLE OF ISSUE	SHARES
Tripod Technology Corp. ....	2,778,413
Wintek Corp. ....	1,421,104
MATERIALS -- (1.9%)	
China Metal Products Co., Ltd. ....	2,974,714
Yieh United Steel Corp. ....	3,500,000
TOTAL TAIWAN -- (COST \$45,965,732) .....	-----
UNITED STATES - "N" SHARES	
CONSUMER DISCRETIONARY -- (0.2%)	
Chindex International, Inc.* ....	69,987
TOTAL UNITED STATES - "N" SHARES -- (COST \$686,196)	-----
TOTAL COMMON STOCK AND OTHER EQUITY INTERESTS	-----
-- (COST \$153,301,487) .....	-----

WARRANTS

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CONSUMER DISCRETIONARY -- (0.0%) (d)	
Chindex International, expiring 3/31/09*,#, (c).....	2,160
Chindex International, expiring 5/31/09*,#, (c).....	3,240
TOTAL WARRANTS (COST \$24,461).....	
-----	
DIRECT INVESTMENTS	
FINANCIALS -- (1.1%)	
Captive Finance, Ltd., (acquired 5/24/02) (b)*+ .....	2,000,000
INFORMATION TECHNOLOGY -- (8.5%)	
CDW Holding Ltd., (acquired 1/28/05) (b)* .....	60,000,000
Global e-Business Services (BVI) Ltd., (acquired	
6/18/04) (b)* .....	40,000
teco Optronics Corp., (acquired 4/26/04) (b)* .....	1,861,710
TOTAL DIRECT INVESTMENTS -- (COST \$8,411,189) .....	
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TOTAL INVESTMENTS -- (Cost \$161,737,137**) .....	
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OTHER ASSETS AND LIABILITIES .....	
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NET ASSETS .....	1
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See Notes to Schedule of Investments.

NOTES TO SCHEDULE OF INVESTMENTS

- \* Denotes non-income producing security
- # Illiquid security. Some restrictions may apply to the resale of this security due to limited trading volume.
- (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. 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 in good faith at fair value using methods determined by the Board of Directors. Direct Investments not traded on an exchange are valued at fair value as determined by the Board of Directors based on advice from the Investment Manager and Direct Investment Manager. The Direct Investment's original cost is considered to be fair value unless the Board of Directors, based on such advice, concludes there has been a material change of a long-term nature and sufficient reliable information is available to revalue these investments.

The China Fund, Inc.'s (the "Fund") investments in China companies

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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.

- (b) 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 initially valued at acquisition cost. The procedures applied by the Board of Directors in arriving at its estimate of value of securities without readily available market values comply with the Fund's policies for valuing Direct Investments at original cost unless the Board of Directors, based on advice from the Direct Investment Manager, concludes that there has been a material change of a long-term nature and sufficient reliable information is available to revalue these investments. Determination of fair values involves subjective judgment and, because of the inherent uncertainty of valuation, the Board of Directors' estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the differences could be material.
- (c) Denotes a restricted security. At January 31, 2005, The China Fund, Inc. owned the following securities which were restricted as to public resale and not registered under the Securities Act of 1933. The Fund has various registration rights with respect to these securities. The securities are valued at fair value (See note (a) above).

DESCRIPTION -----	DATE OF ACQUISITION -----	SHARES -----	COST -----	FAIR VALUE -----
Chindex International, Warrants, expiring 3/31/09	11/10/04	2,160	\$ 9,633	\$ 7,360
Chindex International, Warrants, expiring 5/31/09	11/10/04	3,240	14,828	11,370
			----- \$24,461	----- \$ 18,731

- (d) Amount represents less than 0.1% of net assets.
- + Affiliated Issuer, as defined in the 1940 Act, includes issuers in which the Fund held 5% or more of the outstanding securities.
- \*\* At January 31, 2005, aggregate gross unrealized appreciation for all securities for which there was an excess of value over financial reporting cost was \$95,617,211 and aggregate gross unrealized depreciation for all securities for which there was an excess of financial reporting cost over value was \$7,121,864 and net appreciation for financial reporting purposes was \$88,495,347. At January 31, 2005, aggregate cost for financial reporting purposes was \$161,737,137.

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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 of the 1940 Act 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/ Gary L. French  
Gary L. French  
President and Chief Executive Officer

Date: April 1, 2005

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/ Gary L. French  
Gary L. French  
President and Chief Executive Officer

Date: April 1, 2005

By: /s/ Ann M. Carpenter  
Ann M. Carpenter

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Treasurer and Chief Financial Officer

Date: April 1, 2005