

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED  
MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-05749

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THE CHINA FUND, INC.

(Exact name of registrant as specified in charter)

C/O STATE STREET BANK & TRUST  
2 AVENUE DE LAFAYETTE, 2ND FLOOR  
P.O. BOX 5049  
BOSTON, MA 02206-5049

(Address of principal executive offices) (Zip code)

Copy to:

|   |  |
|---|--|
| Mary Moran Zeven<br>Secretary<br>The China Fund, Inc.<br>2 Avenue de Lafayette, 2nd Floor<br>Boston, MA 02111 | Leonard B. Mackey, Jr., Esq.<br>Clifford Chance US LLP<br>31 West 52nd Street<br>New York, New York 10019-6131 |
|---|--|

(Name and Address of Agent for Service)

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

Date of fiscal year end: October 31

Date of reporting period: April 30, 2008

ITEM 1. REPORT TO STOCKHOLDERS.

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THE CHINA FUND, INC.

SEMI-ANNUAL REPORT

APRIL 30, 2008  
(UNAUDITED)

THE CHINA FUND, INC.  
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THE CHINA FUND, INC.

KEY HIGHLIGHTS (UNAUDITED)

THE CHINA FUND, INC.

KEY HIGHLIGHTS (UNAUDITED)

## FUND DATA

NYSE STOCK SYMBOL

CHN

LISTING DATE

JULY 10, 1992

SHARES OUTSTANDING

18,153,741

TOTAL NET ASSETS (04/30/08)

US\$732.7 MILLION

NET ASSET VALUE PER SHARE (04/30/08)

\$40.36

MARKET PRICE PER SHARE (04/30/08)

\$35.06

## TOTAL RETURN(1)

PERFORMANCE AS OF  
04/30/08:

NET ASSET VALUE

MARKET PRICE

6-Months

(9.89)%

(8.35)%

3-Year Cumulative

165.82%

114.37%

3-Year Annualized

38.53%

28.94%

5-Year Cumulative

378.16%

334.12%

5-Year Annualized

36.75%

34.13%

10-Year Cumulative

546.86%

577.03%

10-Year Annualized

20.53%

21.08%

## DIVIDEND HISTORY

| RECORD DATE | INCOME   | CAPITAL GAINS |
|-------------|----------|---------------|
| 12/21/07    | \$0.2800 | \$11.8400     |
| 12/21/06    | \$0.2996 | \$3.7121      |
| 12/21/05    | \$0.2172 | \$2.2947      |
| 12/22/04    | \$0.1963 | \$3.3738      |
| 12/31/03    | \$0.0700 | \$1.7100      |
| 12/26/02    | \$0.0640 | \$0.1504      |
| 12/31/01    | \$0.1321 | --            |
| 12/31/00    | --       | --            |
| 12/31/99    | \$0.1110 | --            |
| 12/31/98    | \$0.0780 | --            |
| 12/31/97    | --       | \$0.5003      |
| 12/31/96    | \$0.0834 | --            |
| 12/29/95    | \$0.0910 | --            |
| 12/30/94    | \$0.0093 | \$0.6006      |
| 12/31/93    | \$0.0853 | \$0.8250      |
| 12/31/92    | \$0.0434 | \$0.0116      |

(1) Total investment returns reflect changes in net asset value per share or market price, as the case may be, during each period and assume that dividends and capital gains distributions, if any, were reinvested in accordance with the dividend reinvestment plan. The net asset value per share percentages are not an indication of the performance of a shareholder's investment in the Fund, which is based on market price. Total investment returns are historical and do not guarantee future results.

TEN LARGEST LISTED EQUITY INVESTMENTS \*

|   |       |
|---|-------|
| 1. Chaoda Modern Agriculture (Holdings), Ltd. | 4.05% |
| 2. Far Eastern Department Stores, Ltd.        | 4.05% |
| 3. Yuanta Financial Holdings Co., Ltd.        | 3.43% |
| 4. Uni-President Enterprises Corp.            | 2.76% |
| 5. China Metal Products Co., Ltd.             | 2.45% |
| 6. China Development Financial Holding Corp.  | 2.36% |
| 7. Xinao Gas Holdings, Ltd.                   | 2.33% |
| 8. Daqin Railway Co., Ltd. Access Product     | 2.22% |
| 9. Cathay Financial Holding Co., Ltd.         | 2.19% |
| 10. Fubon Financial Holdings Co., Ltd.        | 2.05% |

DIRECT INVESTMENTS \*

|  |       |
|--|-------|
| 1. Qingdao Bright Moon                     | 0.96% |
| 2. China Silicon Corp., Series A Preferred | 0.89% |
| 3. Highlight Tech Corp.                    | 0.82% |
| 4. Wuxi PAIHO                              | 0.50% |
| 5. Sino Twinwood Pte Ltd.                  | 0.42% |
| 6. tecO Optronics Corp.                    | 0.00% |

\* Percentages based on net assets at April 30, 2008.

INDUSTRY ALLOCATION (UNAUDITED)

(Pie Chart)

\* Percentages based on net assets at April 30, 2008.

(Pie Chart)

|                        |       |
|------------------------|-------|
| Consumer Discretionary | 19.20 |
| Financials             | 16.50 |
| Consumer Staples       | 13.40 |
| Industrials            | 12.90 |
| Health Care            | 9.00  |
| Information Technology | 6.90  |
| Materials              | 6.10  |
| Energy                 | 5.10  |
| Utilities              | 2.30  |
| Telecommunications     | 1.30  |
| Others                 | 7.30  |

Fund holdings are subject to change and percentages shown above are based on total net assets as of April 30, 2008. A complete list of holdings as of April 30, 2008 is contained in the Schedule of Investments included in this report. The most current available data regarding portfolio holdings can be found on our website, [www.chinafundinc.com](http://www.chinafundinc.com). You may also obtain holdings by calling 1-800-246-2255.

THE CHINA FUND, INC.  
CHAIRMAN'S STATEMENT (UNAUDITED)

Dear Stockholders,

Over the past six months, the Fund's net asset value declined by 9.89%. This represented a considerable degree of outperformance relative to the benchmark MSCI Golden Dragon index, which fell 17.7% over the period. The Fund also remains well ahead of its benchmark over longer periods since the Fund's inception in June 1992. Including a record cash distribution of US\$53 million, the Fund's total net asset value decreased by US\$149.2 million, to US\$732.7 million during the period.

The net asset value of the Fund has fallen as a result of the effect of the US sub-prime crisis on international capital flows, as well as the looming impact of a slowdown in global trade. However, the Fund's manager has been able to limit the fall through a well-timed reduction in the Fund's heavy exposure to the A-share market, as well as through its emphasis on Taiwan, which is starting to enjoy the fruits of positive political change.

The Fund distributed a record dividend for 2007 (US\$12.12/share). The Fund's Board decided to offer a choice of both a cash and stock dividend, with a view to improving stock liquidity and controlling the expense ratio.

Since the appointment last April of Martin Currie to manage the unlisted portion of the Fund as well as the listed portion, the Fund has been increasingly active in private equity. Five transactions have been concluded since August, and the unlisted portfolio has increased to 3.6% of the Fund. The Fund's private equity investments focus on late-stage/pre-IPO opportunities in entrepreneurial companies.

The Fund's investment guidelines have been simplified, so that a minimum of 80% of assets must be invested in the securities of companies that are organized in China or that are principally traded in or derive at least 50% of their income from China markets. For this purpose, China includes Taiwan and Hong Kong. This gives the manager more leeway to invest in attractive China companies, wherever they are listed. We note that 34.4% of the portfolio is now in Taiwan-listed companies, as well as 4.3% and 4.4% in China companies listed in New York and Singapore, respectively.

In recent months, China has been affected by two natural disasters -- the snowstorms at Chinese New Year and the recent earthquake in Sichuan. In contrast to the extent of the human tragedy, the economy has proved resilient so far. The manager expects the forthcoming Olympics to have a similarly limited real effect.

Cost inflation has emerged as the main problem facing the Chinese. The manager believes that food inflation has already peaked, but the need gradually to lift price controls on such items as fuel and electricity will probably mean that the rate of inflation will not decrease swiftly, despite the global economic slowdown. As the year wears on, the manager expects worries to turn from inflation to growth. In this context, the renminbi should have relatively limited room for further appreciation against the US dollar.

The Fund will continue to focus on management-owned companies catering to the growth in domestic consumption. Sectors of emphasis are healthcare, agriculture, non-bank finance and infrastructure.

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THE CHINA FUND, INC.  
CHAIRMAN'S STATEMENT (CONTINUED) (UNAUDITED)

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Finally, we are pleased to announce the appointment of William Kirby as a new director of the Fund. William is the Geisinger Professor of History at Harvard, and the director of that university's Fairbank Center for East Asian Research. He is also a visiting professor at Peking University, Nanjing University and the Free University of Berlin, and has written extensively on the development of business and the economy in modern China.

For monthly updates detailing the Fund's investments, please consult [www.chinafundinc.com](http://www.chinafundinc.com).

Yours truly,

J. Lightburn  
Chairman

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THE CHINA FUND, INC.  
INVESTMENT MANAGER'S STATEMENT (UNAUDITED)

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#### REVIEW OF LISTED AND DIRECT INVESTMENTS

Over the past six months the Fund returned -9.89%. In so doing, it outperformed the MSCI Golden Dragon index, which fell 17.7% over the period.

A high level of volatility characterized the period. This culminated in January, when both the A-share and H-share markets saw massive sell-offs. By early April, the A-share market had fallen almost 50% from its peak in October. In part, Chinese markets were victims of their own success; as the best-performing markets of 2007, Hong Kong and China offered the most attractive profits to investors, who were increasingly concerned about the prospect of a slowdown in the US economy.

Many of our strongest contributors came from Taiwan, where the portfolio is overweight. After a long period of stagnation, the Kuomintang's successive victories in the island's legislative and presidential elections catalyzed a revival in March, on hopes of a rapprochement with the mainland. Here we saw good returns from domestically oriented stocks such as FAR EASTERN DEPARTMENT STORE, financials such as FUBON FINANCIAL HOLDINGS and YUANTA FINANCIAL HOLDINGS, and TAIWAN SECOM, which makes security systems. Steel exporter CHINA METAL PRODUCTS also did well, as did DATA SYSTEMS CONSULTING.

Outside Taiwan, we benefited from holding Hong Kong's CHAODA MODERN AGRICULTURE, which exports rice and fruit, and from avoiding index heavyweights such as PETROCHINA, CHINA LIFE and HONG KONG EXCHANGES & CLEARING.

Conversely, our relative returns were dampened by our avoidance of some of the largest Taiwanese index components. In this regard, we suffered from not holding TAIWAN SEMICONDUCTOR, CHUNGHWA TELECOM or CHINA STEEL CORPORATION. Negatives among our holdings included YANGZIJIANG SHIPBUILDING, FAR EAST ENERGY CORP and ZIJING MINING, which was hit by profit-taking after its strong run in 2007.

The Fund's unlisted investments continue to perform satisfactorily. During the period we added a new unlisted holding in QINGDAO BRIGHT MOON, the world's largest processor of seaweed, the by-products of which are used in a surprisingly wide range of food and pharmaceutical applications. The company is seeking an A-share listing within three years. The other unlisted investments are in CHINA SILICON, which should benefit from rising polysilicon prices, SINO TWINWOOD, which produces ERP (enterprise resource planning) software, HIGHLIGHT TECH, which makes vacuum systems and components, and WUXI PAIHO, which makes velcro. All of these companies plan market listings in the next couple of years.

At the end of April, the Fund was 92.8% invested in 72 companies. The reason for the relatively high cash level at quarter-end was a substantial pre-IPO investment in HUIYIN, an electrical retailer targeting rural consumers.

We remain overweight in Taiwan, and have increased our exposure to the A-share market. The real deposit rate in China remains negative 5% and we estimate that the earnings growth of our A-share portfolio will reach 35% this year, so we expect a sharp rebound in the next few months.

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THE CHINA FUND, INC.  
INVESTMENT MANAGER'S STATEMENT (CONTINUED) (UNAUDITED)

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REVIEW OF LISTED AND DIRECT INVESTMENTS

Over the summer we think China will stop worrying about inflation and start worrying about growth. Our company meetings reveal exporters pedaling hard to cope with increasing material, labor and environmental costs. The story is not wholly negative -- economic pressures are forcing another round of Western companies to seek the 'China price'. But as Western companies squeeze inventory to the bare minimum, even the winners are seeing smaller, albeit more frequent, orders. As the complaints of exporters escalate, coincident with a likely rally in the US dollar, we expect renminbi appreciation against this currency to slow and stop. Added to this, we see the first signs of a loosening of the purse strings as a couple of companies we visited struggled to secure reasonably priced loans in the first quarter, but have now been able to get them.

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THE CHINA FUND, INC.  
ABOUT THE PORTFOLIO MANAGER (UNAUDITED)

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LISTED AND DIRECT INVESTMENT MANAGER

Mr. Chris Ruffle serves as the portfolio manager for the Fund's portfolio of listed and direct securities. Mr. Ruffle joined Martin Currie in 1994. He is a Chinese and Taiwanese equity specialist with over 15 years investment experience in Asia. Fluent in Mandarin and Japanese, Mr. Ruffle has worked in the Far East since 1983. He worked originally in Beijing and Shanghai and then in Australia for a metal trading company. He then moved to Warburg Securities in 1987 as an analyst in Tokyo, before establishing Warburg's office in Taiwan. Mr. Ruffle also manages The Martin Currie China Hedge Fund and the China "A" Share Fund.

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THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS  
APRIL 30, 2008 (UNAUDITED)

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| NAME OF ISSUER AND TITLE OF ISSUE                                    | SHARES     | VALUE (NOTE A) |
|--|------------|----------------|
| COMMON STOCK AND OTHER EQUITY INTERESTS                              |            |                |
| CHINA  |            |                |
| <b>FINANCIALS -- (1.0%)</b>  |            |                |
| Shanghai Lujiazui Finance & Trade Zone<br>Development Co., Ltd. .... | 4,459,405  | \$ 7,366,937   |
| TOTAL CHINA -- (Cost \$6,334,582)                                    | 1.0%       | 7,366,937      |
| HONG KONG  |            |                |
| <b>CONSUMER DISCRETIONARY -- (6.4%)</b>                              |            |                |
| China Travel International Investment Hong Kong,<br>Ltd. ....        | 10,982,000 | 4,902,741      |
| Huabao International Holdings, Ltd. ....                             | 12,790,000 | 11,485,420     |
| Intime Department Store Group Co., Ltd.*....                         | 8,778,000  | 6,553,856      |
| Ports Design, Ltd. ....  | 2,678,500  | 8,624,694      |
| Shangri-La Asia, Ltd. ....   | 4,141,555  | 11,423,001     |
| Yorkey Optical International Cayman, Ltd.#....                       | 16,424,000 | 4,003,233      |
|  |            | -----          |
|  |            | 46,992,945     |
|  |            | -----          |
| <b>CONSUMER STAPLES -- (5.4%)</b>                                    |            |                |
| Chaoda Modern Agriculture (Holdings), Ltd.(1)...                     | 20,633,998 | 29,646,929     |
| China Huiyuan Juice Group, Ltd.(1)*.....                             | 13,000,500 | 10,006,671     |
|  |            | -----          |
|  |            | 39,653,600     |
|  |            | -----          |
| <b>ENERGY -- (0.5%)</b>  |            |                |
| China Rare Earth Holdings, Ltd.#.....                                | 15,254,000 | 3,463,661      |
|  |            | -----          |
| <b>FINANCIALS -- (1.7%)</b>  |            |                |
| SPG Land (Holdings), Ltd.(1)*#.....                                  | 10,924,000 | 5,535,503      |
| Tianjin Development Holdings, Ltd. ....                              | 8,440,000  | 6,821,208      |
|  |            | -----          |
|  |            | 12,356,711     |
|  |            | -----          |
| <b>HEALTH CARE -- (3.8%)</b>   |            |                |
| China Shineway Pharmaceutical Group, Ltd.#.....                      | 11,184,000 | 7,431,992      |
| Golden Meditech Co., Ltd.(1)#.....                                   | 35,040,000 | 12,136,855     |
| Natural Beauty Bio-Technology, Ltd.#.....                            | 32,780,000 | 7,989,891      |
|  |            | -----          |
|  |            | 27,558,738     |
|  |            | -----          |
| <b>INDUSTRIALS -- (1.2%)</b>   |            |                |
| TPV Technology, Ltd. ....  | 12,728,000 | 8,849,888      |
|  |            | -----          |
| <b>INFORMATION TECHNOLOGY -- (0.4%)</b>                              |            |                |
| Arcontech Corp.(2)*#.....  | 18,386,000 | --             |
| Chinasoft International, Ltd.#.....                                  | 19,230,000 | 3,330,361      |
|  |            | -----          |
|  |            | 3,330,361      |
|  |            | -----          |

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)  
APRIL 30, 2008 (UNAUDITED)

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
SCHEDULE OF INVESTMENTS (CONTINUED)

| NAME OF ISSUER AND TITLE OF ISSUE                              | SHARES     | VALUE (NOTE A) |
|--|------------|----------------|
| <b>COMMON STOCK AND OTHER EQUITY INTERESTS (CONTINUED)</b>     |            |                |
| <b>HONG KONG (CONTINUED)</b>                                   |            |                |
| MATERIALS -- (0.1%)  |            |                |
| Ocean Grand Chemicals Holdings, Ltd.(2)*#.....                 | 17,379,000 | \$ 691,138     |
| UTILITIES -- (2.3%)  |            |                |
| Xinao Gas Holdings, Ltd.(1)#.....                              | 9,286,000  | 17,082,685     |
| TOTAL HONG KONG -- (Cost \$91,097,409)                         | 21.8%      | 159,979,727    |
| HONG KONG -- "H" SHARES  |            |                |
| CONSUMER STAPLES -- (1.8%)                                     |            |                |
| Wumart Stores, Inc.#.....                                      | 15,126,000 | 13,098,036     |
| ENERGY -- (2.7%)   |            |                |
| China Oilfield Services, Ltd.(1).....                          | 7,132,000  | 13,138,448     |
| China Shenhua Energy Co., Ltd.(1).....                         | 1,450,000  | 6,659,312      |
|  |            | 19,797,760     |
| HEALTH CARE -- (1.8%)  |            |                |
| Shandong Weigao Group Medical Polymer Co., Ltd.#.....          | 8,180,000  | 13,117,215     |
| INDUSTRIALS -- (0.3%)  |            |                |
| China Railway Group, Ltd.(1)*.....                             | 2,450,800  | 2,342,299      |
| MATERIALS -- (1.3%)  |            |                |
| Zijin Mining Group Co., Ltd.(1)*.....                          | 10,408,000 | 9,479,904      |
| TELECOMMUNICATIONS -- (1.3%)                                   |            |                |
| ZTE Corp.(1).....  | 2,236,360  | 9,338,369      |
| TOTAL HONG KONG -- "H" SHARES -- (Cost \$48,154,974)           | 9.2%       | 67,173,583     |
| TOTAL HONG KONG (INCLUDING "H" SHARES) -- (Cost \$139,252,383) | 31.0%      | 227,153,310    |
| <b>SINGAPORE</b>   |            |                |
| CONSUMER DISCRETIONARY -- (1.0%)                               |            |                |
| China Hongxing Sports, Ltd. .....                              | 15,307,000 | 7,665,336      |
| CONSUMER STAPLES -- (1.9%)                                     |            |                |
| China Fishery Group, Ltd.#.....                                | 6,068,000  | 7,507,357      |
| Hsu Fu Chi International, Ltd.#.....                           | 8,409,000  | 6,192,651      |
|  |            | 13,700,008     |

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 APRIL 30, 2008 (UNAUDITED)

| NAME OF ISSUER AND TITLE OF ISSUE                   | SHARES     | VALUE (NOTE A) |
|---|------------|----------------|
| <hr/>   |            |                |
| COMMON STOCK AND OTHER EQUITY INTERESTS (CONTINUED) |            |                |
| SINGAPORE (CONTINUED)                               |            |                |
| INDUSTRIALS -- (1.0%)                               |            |                |
| Yangzijiang Shipbuilding Holdings, Ltd.*.....       | 9,546,000  | \$ 7,522,071   |
| INFORMATION TECHNOLOGY -- (0.4%)                    |            |                |
| CDW Holding, Ltd.#+.....                            | 60,000,000 | 3,093,011      |
| TOTAL SINGAPORE -- (Cost \$34,681,148)              | 4.3%       | 31,980,426     |
| <hr/>   |            |                |
| TAIWAN  |            |                |
| CONSUMER DISCRETIONARY -- (9.5%)                    |            |                |
| FamilyMart Co., Ltd.#.....                          | 3,557,652  | 6,496,607      |
| Far Eastern Department Stores, Ltd. .....           | 17,630,080 | 29,646,444     |
| HannStar Display Corp.*.....                        | 17,900,000 | 8,289,350      |
| Merry Electronics Co., Ltd. .....                   | 3,584,340  | 9,500,164      |
| Synnex Technology International Corp. .....         | 4,738,050  | 12,682,522     |
| Wintek Corp. .....                                  | 3,148,000  | 2,853,594      |
|   |            | 69,468,681     |
| CONSUMER STAPLES -- (4.3%)                          |            |                |
| Lien Hwa Industrial Corp. .....                     | 15,161,855 | 11,527,940     |
| Uni-President Enterprises Corp. .....               | 14,137,220 | 20,244,118     |
|   |            | 31,772,058     |
| FINANCIALS -- (11.5%)                               |            |                |
| Cathay Financial Holding Co., Ltd. .....            | 5,708,370  | 16,029,744     |
| China Development Financial Holding Corp. ....      | 36,871,940 | 17,256,758     |
| Fubon Financial Holdings Co., Ltd. .....            | 12,603,000 | 15,025,500     |
| Ruentex Development Co., Ltd. .....                 | 9,477,000  | 10,427,112     |
| Yuanta Financial Holdings Co., Ltd.*.....           | 26,413,545 | 25,157,823     |
|   |            | 83,896,937     |
| INDUSTRIALS -- (1.1%)                               |            |                |
| Wah Lee Industrial Corp.#.....                      | 3,998,856  | 8,405,510      |
| INFORMATION TECHNOLOGY -- (4.8%)                    |            |                |
| Powertech Technology Inc. .....                     | 3,581,100  | 14,407,907     |
| Taiwan Secom#.....                                  | 4,738,000  | 10,348,206     |
| Tripod Technology Corp. .....                       | 3,163,083  | 10,752,249     |
|   |            | 35,508,362     |

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 APRIL 30, 2008 (UNAUDITED)

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 APRIL 30, 2008 (UNAUDITED)

| NAME OF ISSUER AND TITLE OF ISSUE                   | SHARES     | VALUE (NOTE A) |
|---|------------|----------------|
| COMMON STOCK AND OTHER EQUITY INTERESTS (CONTINUED) |            |                |
| TAIWAN (CONTINUED)                                  |            |                |
| MATERIALS -- (3.2%)                                 |            |                |
| China Metal Products Co., Ltd. ....                 | 8,392,675  | \$ 17,916,869  |
| Yieh United Steel Corp.#.....                       | 11,379,600 | 5,232,430      |
|   |            | -----          |
|   |            | 23,149,299     |
| TOTAL TAIWAN -- (Cost \$147,158,235)                | 34.4%      | 252,200,847    |
|   | -----      | -----          |

|  |           |           |
|--|-----------|-----------|
| UNITED KINGDOM                             |           |           |
| HEALTH CARE -- (1.0%)                      |           |           |
| China Medical System Holdings, Ltd.#+..... | 3,623,188 | 7,442,055 |
| TOTAL UNITED KINGDOM -- (Cost \$9,940,990) | 1.0%      | 7,442,055 |
|  | -----     | -----     |

|  |            |             |
|--|------------|-------------|
| UNITED STATES  |            |             |
| CONSUMER DISCRETIONARY -- (1.1%)   |            |             |
| The9, Ltd., ADR(1)*#.....  | 356,200    | 7,647,614   |
| ENERGY -- (0.8%)   |            |             |
| Far East Energy Corp.*#+.....  | 11,111,111 | 6,100,000   |
| HEALTH CARE -- (2.4%)  |            |             |
| Mindray Medical International, Ltd., ADR(1)....                          | 367,000    | 12,478,000  |
| WuXi PharmaTech Cayman Inc., ADR(1)*.....                                | 287,041    | 5,293,036   |
|  |            | -----       |
|  |            | 17,771,036  |
| TOTAL UNITED STATES -- (Cost \$34,604,886)                               | 4.3%       | 31,518,650  |
|  | -----      | -----       |
| TOTAL COMMON STOCK AND OTHER EQUITY<br>INTERESTS -- (Cost \$371,972,224) | 76.0%      | 557,662,225 |
|  | -----      | -----       |

|  |           |           |
|--|-----------|-----------|
| EQUITY LINKED SECURITIES   |           |           |
| CONSUMER DISCRETIONARY -- (1.2%)   |           |           |
| Wuliangye Yibin Co., Ltd. Access Product<br>(expiration 01/20/10) 144A,(2)(3).....     | 2,200,000 | 8,940,800 |
| ENERGY -- (1.1%)   |           |           |
| China Yangtze Power Co., Ltd. Access Product<br>(expiration 10/26/10) 144A,(2)(4)..... | 4,169,077 | 8,346,492 |
|  | -----     | -----     |

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)  
 APRIL 30, 2008 (UNAUDITED)

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
 SCHEDULE OF INVESTMENTS (CONTINUED)

| NAME OF ISSUER AND TITLE OF ISSUE  | SHARES     | VALUE (NOTE A) |
|--|------------|----------------|
| <b>EQUITY LINKED SECURITIES (CONTINUED)</b>  |            |                |
| <b>FINANCIALS -- (2.3%)</b>  |            |                |
| Financial Street Holding Co., Ltd. Access Product (expiration 02/13/12) 144A,(2)(4)*....               | 3,191,059  | \$ 9,088,136   |
| Ping An Insurance (Group) Company of China, Ltd. Access Product (expiration 04/01/13) 144A,(2)(4)..... | 773,600    | 7,638,527      |
|  |            | -----          |
|  |            | 16,726,663     |
| <b>INDUSTRIALS -- (7.0%)</b>   |            |                |
| China Vanke Co., Ltd. Access Product (expiration 01/20/10) 144A,(2)(3).....                            | 2,833,650  | 9,863,936      |
| Daqin Railway Co., Ltd. Access Product (expiration 11/02/11) 144A,(2)(4).....                          | 6,907,000  | 16,300,520     |
| Shanghai International Airport Co., Ltd. Access Product (expiration 01/20/10) 144A,(2)(3)....          | 1,816,700  | 5,829,790      |
| Shanghai Tunnel Engineering Co., Ltd. Access Product (expiration 01/17/12) 144A,(2)(3).....            | 4,439,247  | 8,301,392      |
| Shanghai Zhenhua Port Machinery Co., Ltd. Access Product (expiration 10/26/10) 144A,(2)(4).....        | 4,462,752  | 10,652,589     |
|  |            | -----          |
|  |            | 50,948,227     |
| <b>MATERIALS -- (1.5%)</b>   |            |                |
| Qinghai Salt Lake Potash Co., Ltd. Access Product (expiration 10/26/10) 144A,(2)(4).....               | 887,909    | 11,054,467     |
| <b>TOTAL EQUITY LINKED SECURITIES -- (Cost \$57,513,293)</b>   |            |                |
|  | 13.1%      | 96,016,649     |
| <b>DIRECT INVESTMENTS</b>  |            |                |
| <b>INDUSTRIALS -- (2.3%)</b>   |            |                |
| Highlight Tech Corp., (acquired 09/11/07) (2)(5)*#+.....   | 3,366,893  | 5,993,069      |
| Qingdao Bright Moon, (acquired 02/28/08) (2)(5)*#+.....  | 31,827,172 | 7,001,976      |
| Wuxi PAIHO, (acquired 09/17/07) (2)(5)*#.....  | 11,734,701 | 3,680,000      |
|  |            | -----          |
|  |            | 16,675,045     |
| <b>-----</b>   |            |                |

See notes to financial statements and notes to schedule of investments.

**THE CHINA FUND, INC.****SCHEDULE OF INVESTMENTS (CONTINUED)**

APRIL 30, 2008 (UNAUDITED)

See notes to financial statements and notes to schedule of investments.

**THE CHINA FUND, INC.****SCHEDULE OF INVESTMENTS (CONTINUED)**

| NAME OF ISSUER AND TITLE OF ISSUE   | SHARES              | VALUE (NOTE A) |
|---|---------------------|----------------|
|   |                     | -----          |
| <b>DIRECT INVESTMENTS (CONTINUED)</b>   |                     |                |
| INFORMATION TECHNOLOGY -- (1.3%)  |                     |                |
| China Silicon Corp. Warrants (expiration<br>11/30/10) (2) (5)*#+.....               | 27,418              | \$ --          |
| China Silicon Corp., Series A Preferred<br>(acquired 11/30/07) (2) (5)*#+.....      | 27,418              | 6,525,484      |
| Sino Twinwood Pte Ltd., (acquired<br>05/02/07) (2) (5)*#+.....                      | 500,000             | 3,050,000      |
| teco Optronics Corp., (acquired<br>04/26/04) (2) (5)*#+.....                        | 1,861,710           | --             |
|   |                     | -----          |
|   |                     | 9,575,484      |
|   |                     | -----          |
| TOTAL DIRECT INVESTMENTS -- (Cost<br>\$26,874,796)                                  | 3.6%                | 26,250,529     |
|   |                     | -----          |
|   | PRINCIPAL<br>AMOUNT | -----          |
| <b>COLLATERAL FOR SECURITIES ON LOAN -- (10.3%)</b>                                 |                     |                |
| SHORT TERM -- (10.3%)   |                     |                |
| Securities Lending Quality Trust.....   | \$75,213,615        | 75,213,615     |
|   |                     | -----          |
| TOTAL COLLATERAL FOR SECURITIES ON<br>LOAN -- (Cost \$75,213,615)                   | 10.3%               | 75,213,615     |
|   |                     | -----          |
| <b>SHORT TERM INVESTMENTS</b>   |                     |                |
| UNITED STATES   |                     |                |
| Repurchase Agreement with State Street Bank and<br>Trust,<br>0.15%, 05/01/08++..... | 26,881,000          | 26,881,000     |
|   |                     | -----          |
| TOTAL UNITED STATES -- (Cost \$26,881,000)  | 3.7%                | 26,881,000     |
|   |                     | -----          |
| TOTAL INVESTMENTS -- (Cost \$558,454,928)   | 106.7%              | 782,024,018    |
|   |                     | -----          |
| OTHER ASSETS AND LIABILITIES  | (6.7)%              | (49,282,010)   |
|   |                     | -----          |
| NET ASSETS  | 100.0%              | \$732,742,008  |
|   |                     | =====          |

See notes to financial statements and notes to schedule of investments.

## THE CHINA FUND, INC.

## SCHEDULE OF INVESTMENTS (CONTINUED)

APRIL 30, 2008 (UNAUDITED)

## Notes to Schedule of Investments

\* Denotes non-income producing security.

# Illiquid security.

+ Affiliated issuer (see Note F).

++ Repurchase agreement, dated 04/30/2008, due 05/01/2008 with repurchase proceeds of \$26,881,112 is collateralized by US Treasury Bill, 1.43% due 09/18/2008 with a market value of \$27,419,490.

(1) A portion or all of the security was held on loan. As of April 30, 2008, the

market value of the securities loaned was \$71,893,805.

- (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.

144A Securities restricted for resale to Qualified Institutional Buyers.

ADR American Depository Receipt.

See notes to financial statements and notes to schedule of investments.

THE CHINA FUND, INC.  
STATEMENT OF ASSETS AND LIABILITIES  
APRIL 30, 2008 (UNAUDITED)

- -----  
- -----

**ASSETS**

|  |               |
|--|---------------|
| Investments in securities, at value (cost \$438,341,498) (Note A)..                        | \$667,604,807 |
| Investments in affiliated securities, at value (cost \$44,899,815)<br>(Notes A and F)..... | 39,205,596    |
| Collateral for securities loaned.....  | 75,213,615    |
| Cash.....  | 696           |
| Foreign currency, at value (cost \$8,914,986).....   | 8,873,936     |
| Receivable for investments sold.....   | 16,724,760    |
| Receivable for securities lending income.....  | 116,757       |
| Dividends receivable.....  | 1,538,120     |
| Interest receivable.....   | 112           |
| Prepaid expenses.....  | 19,709        |
| Miscellaneous assets.....  | 153,256       |
|  | -----         |
| TOTAL ASSETS.....  | 809,451,364   |
|  | -----         |

**LIABILITIES**

|  |            |
|--|------------|
| Payable upon return of collateral for securities loaned..... | 75,213,615 |
| Investment management fee payable (Note B).....              | 412,972    |
| Administration and custodian fees payable (Note B).....      | 213,350    |
| Directors fee payable (Note B).....                          | 11,194     |
| Contingent liability (Note A).....                           | 717,795    |
| Accrued expenses and other liabilities.....                  | 140,430    |
|  | -----      |
| TOTAL LIABILITIES.....                                       | 76,709,356 |
|  | -----      |

|                       |               |
|-----------------------|---------------|
| TOTAL NET ASSETS..... | \$732,742,008 |
|                       | =====         |

**COMPOSITION OF NET ASSETS:**

|  |               |
|--|---------------|
| Paid in capital (Note C).....  | 380,196,385   |
| Undistributed net investment income.....   | 389,759       |
| Accumulated net realized gain on investments and foreign currency<br>transactions..... | 128,626,455   |
| Net unrealized appreciation on investments and foreign currency<br>translation.....    | 223,529,409   |
|  | -----         |
| TOTAL NET ASSETS.....  | \$732,742,008 |
|  | =====         |

**NET ASSET VALUE PER SHARE**

|  |         |
|--|---------|
| (\$732,742,008/18,153,741 shares of common stock outstanding)..... | \$40.36 |
|  | =====   |

See notes to financial statements.

THE CHINA FUND, INC.  
STATEMENT OF OPERATIONS  
FOR SIX MONTHS ENDED APRIL 30, 2008 (UNAUDITED)

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See notes to financial statements.

THE CHINA FUND, INC.  
STATEMENT OF OPERATIONS

INVESTMENT INCOME:

|   |              |
|---|--------------|
| Dividend income -- (including dividends of \$362,319 from non-controlled affiliates)..... | \$ 2,654,421 |
| Interest income.....  | 646,441      |
| Securities lending income.....  | 845,963      |
|   | -----        |
| TOTAL INVESTMENT INCOME.....  | 4,146,825    |
|   | -----        |

EXPENSES

|  |           |
|--|-----------|
| Investment Management fees (Note B).....   | 2,250,975 |
| Custodian fees (Note B).....               | 628,798   |
| Administration fees (Note B).....          | 310,986   |
| Directors' fees and expenses (Note B)..... | 168,859   |
| Stock dividend tax expense.....            | 166,789   |
| Legal fees.....                            | 116,353   |
| Printing and postage.....                  | 67,431    |
| Shareholder service fees.....              | 40,951    |
| Chief Compliance Officer fee.....          | 30,561    |
| Insurance.....                             | 23,786    |
| Audit and tax service fees.....            | 27,621    |
| Stock exchange listing fee.....            | 15,272    |
| Transfer agent fees.....                   | 25,361    |
| Miscellaneous expenses.....                | 12,413    |
|  | -----     |
| TOTAL EXPENSES.....                        | 3,886,156 |
|  | -----     |
| Expense reduction.....                     | (187,405) |
|  | -----     |
| NET EXPENSES.....                          | 3,698,751 |
|  | -----     |

NET INVESTMENT INCOME..... 448,074

REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS

|   |               |
|---|---------------|
| AND FOREIGN CURRENCY  |               |
| Net realized gain on investment transactions.....   | 127,503,021   |
| Net realized gain on foreign currency transactions.....                                     | 1,143,143     |
|   | -----         |
|   | 128,646,164   |
|   | -----         |
| Net change in unrealized depreciation on investments and foreign currency transactions..... | (225,195,391) |
|   | -----         |
|   | (225,195,391) |
|   | -----         |

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS..... (96,549,227)

NET DECREASE IN NET ASSETS FROM OPERATIONS..... \$ (96,101,153)

See notes to financial statements.

THE CHINA FUND, INC.

STATEMENTS OF CHANGES IN NET ASSETS

See notes to financial statements.

THE CHINA FUND, INC.  
STATEMENTS OF CHANGES IN NET ASSETS

|   | SIX MONTHS ENDED<br>APRIL 30, 2008 | YEAR ENDED<br>OCTOBER 31, 2007 |
|---|------------------------------------|--------------------------------|
|   | (UNAUDITED)                        |                                |
| <b>(DECREASE) / INCREASE IN NET ASSETS FROM OPERATIONS</b>  |                                    |                                |
| Net investment income.....  | \$ 448,074                         | \$ 4,118,400                   |
| Net realized gain on investments and foreign currency transactions.....   | 128,646,164                        | 172,697,839                    |
| Net (decrease)/increase in unrealized depreciation/appreciation on investments and foreign currency translations..... | (225,195,391)                      | 305,398,733                    |
| Net (decrease)/increase in net assets from operations.....  | (96,101,153)                       | 482,214,972                    |
| <b>DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:</b>  |                                    |                                |
| Net investment income.....  | (4,081,269)                        | (4,343,068)                    |
| Capital gains.....  | (172,579,378)                      | (53,811,419)                   |
| Total dividends and distributions to shareholders.....  | (176,660,647)                      | (58,154,487)                   |
| <b>CAPITAL SHARE TRANSACTIONS:</b>  |                                    |                                |
| Fund shares sold (Note C).....  | --                                 | --                             |
| Reinvestment of dividends and distributions (3,577,780 and 79,741 shares, respectively).....                          | 123,648,061                        | 2,589,184                      |
| Net increase in net assets from capital share transactions.....   | 123,648,061                        | 2,589,184                      |
| <b>NET (DECREASE) / INCREASE IN NET ASSETS.....</b>   | <b>(149,113,739)</b>               | <b>426,649,669</b>             |
| <b>NET ASSETS:</b>  |                                    |                                |
| Beginning of year.....  | 881,855,747                        | 455,206,078                    |
| End of period.....  | \$ 732,742,008                     | \$ 881,855,747                 |
| Undistributed net investment income, end of period.....   | \$ 389,759                         | \$ 4,022,954                   |

See notes to financial statements.

THE CHINA FUND, INC.  
STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED APRIL 30, 2008 (UNAUDITED)

See notes to financial statements.

THE CHINA FUND, INC.  
STATEMENT OF CASH FLOWS

INCREASE (DECREASE) IN CASH -

CASH FLOWS FROM OPERATING ACTIVITIES:

|  |                 |
|--|-----------------|
| Net decrease in net assets resulting from operations.....  | \$ (96,101,153) |
| Adjustments to reconcile net decrease in net assets from<br>operations to net cash provided from operating activities: |                 |
| Purchases of investment securities.....  | (177,684,018)   |
| Proceeds from investments sold.....  | 248,027,838     |
| Net maturities of short-term investments.....  | (26,881,000)    |
| Decrease in collateral for securities loaned.....  | 74,864,825      |
| Increase in dividends and interest receivable.....   | (995,452)       |
| Increase in receivable for securities lending income.....  | (6,837)         |
| Increase in receivable for investments sold.....   | (12,918,800)    |
| Decrease in equity on foreign currency contracts.....  | (160,414)       |
| Increase in prepaid expenses and miscellaneous assets.....   | (18,064)        |
| Decrease in payable for securities purchased.....  | (280,617)       |
| Decrease in payable upon return of collateral for securities<br>loaned.....  | (74,864,825)    |
| Decrease in accrued expenses and other liabilities.....  | (590,958)       |
| Unrealized appreciation/depreciation on securities and<br>currencies.....  | 225,195,391     |
| Net realized gain/loss from investments and currencies.....  | (128,646,164)   |
| Net cash provided from operating activities.....   | 28,939,752      |

CASH FLOWS FROM FINANCING ACTIVITIES:

|   |              |
|---|--------------|
| Cash distributions paid.....                | (53,012,584) |
| Net cash used for financing activities..... | (53,012,584) |
| NET INCREASE IN CASH.....                   | (24,072,832) |
| CASH AT BEGINNING OF PERIOD.....            | 32,947,464   |
| CASH AT END OF PERIOD.....                  | \$ 8,874,632 |

Noncash financing activities not included herein consist of:

|                                    |                |
|------------------------------------|----------------|
| Reinvestment of distributions..... | \$ 123,648,063 |
|------------------------------------|----------------|

THE CHINA FUND, INC.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OF COMMON STOCK OUTSTANDING FOR THE PERIOD(S)  
INDICATED

THE CHINA FUND, INC.

FINANCIAL HIGHLIGHTS

SELECTED DATA FOR A SHARE OF COMMON STOCK OUTSTANDING FOR THE PERIOD(S)

|  | SIX<br>MONTHS<br>ENDED<br>APRIL 30,<br>2008 | 2007          | 2006          | 2005           | 2004*           | 2003*          |
|--|---|---------------|---------------|----------------|-----------------|----------------|
|  | (UNAUDITED)                                 | -----         | -----         | -----          | -----           | -----          |
| <b>PER SHARE OPERATION PERFORMANCE</b>   |   |               |               |                |                 |                |
| Net asset value, beginning of year.....  | \$ 60.50                                    | \$ 31.40      | \$ 23.25      | \$ 26.27       | \$ 26.93        | \$ 14.92       |
| Net investment income.....   | 0.03  | 0.28          | 0.30          | 0.21           | 0.21            | 0.06           |
| Net realized and unrealized gain/(loss) on investments and foreign currency transactions.... | (6.56)                                      | 32.83         | 10.36         | 0.34           | 0.91            | 12.16          |
| Total gain/(loss) from investment operations.....  | (6.53)                                      | 33.11         | 10.66         | 0.55           | 1.12            | 12.22          |
| Less dividends and distributions:  |   |               |               |                |                 |                |
| Dividend from net investment income.....   | (0.28)                                      | (0.30)        | (0.22)        | (0.20)         | (0.07)          | (0.06)         |
| Distributions from net realized capital gains.....   | (11.84)                                     | (3.71)        | (2.29)        | (3.37)         | (1.71)          | (0.15)         |
| Total dividends and distributions..  | (12.12)                                     | (4.01)        | (2.51)        | (3.57)         | (1.78)          | (0.21)         |
| Capital Share Transactions:  |   |               |               |                |                 |                |
| (Dilution) to net asset value, resulting from issuance of shares in stock dividend.....      | (1.49)                                      | 0.00          | 0.00          | 0.00           | 0.00            | 0.00           |
| Net asset value, end of period.....  | \$ 40.36                                    | \$ 60.50      | \$ 31.40      | \$ 23.25       | \$ 26.27        | \$ 26.93       |
| Per share market price, end of period.....   | \$ 35.06                                    | \$ 51.67      | \$ 30.40      | \$ 24.55       | \$ 29.15        | \$ 34.74       |
| <b>TOTAL INVESTMENT RETURN (BASED ON MARKET PRICE).....</b>                                  | <b>(8.35)%<sup>(1)</sup></b>                | <b>90.97%</b> | <b>37.20%</b> | <b>(5.50)%</b> | <b>(12.16)%</b> | <b>179.41%</b> |
| <b>RATIOS AND SUPPLEMENTAL DATA</b>  |   |               |               |                |                 |                |
| Net assets, end of period (000's) ..   | \$732,742                                   | \$881,856     | \$455,206     | \$334,496      | \$264,886       | \$271,278      |
| Ratio of net expenses to average net assets.....   | 1.04% <sup>(2)</sup>                        | 1.08%         | 1.26%         | 1.44%          | 1.41%           | 1.76%          |
| Ratio of gross expenses to average net assets.....   | 1.08% <sup>(2)</sup>                        | 1.08%         | 1.26%         | 1.44%          | 1.41%           | 1.76%          |
| Ratio of net expenses to average net assets, excluding stock dividend tax expense.....       | 0.99% <sup>(2)</sup>                        | 1.04%         | 1.23%         | 1.38%          | 1.34%           | 1.68%          |
| Ratio of net investment income to average net assets.....                                    | 0.13% <sup>(2)</sup>                        | 0.67%         | 1.09%         | 1.04%          | 0.78%           | 0.32%          |
| Portfolio turnover rate.....   | 25%   | 46%           | 50%           | 26%            | 40%             | 55%            |

\* Financial highlights were audited by a previous audit firm.

(1) Not Annualized

(2) Annualized

See notes to financial statements.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The China Fund, Inc. (the "Fund") was incorporated under the laws of the State of Maryland on April 28, 1992, and is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"). The Fund's investment objective is long-term capital appreciation through investments in the equity securities of companies engaged in a substantial amount of business in the People's Republic of China. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

**USE OF ESTIMATES:** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the period. Actual results could differ from these estimates. The significant estimates made as of, and for the six months ended, April 30, 2008 relate to the contingent liability resulting from the sale of Captive Finance in March 2007. A reserve of 10% of the net sale proceeds was established to cover any potential liabilities from the representation and warranties provided by the Fund in the transaction.

**SECURITY VALUATION:** 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 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.

**REPURCHASE AGREEMENTS:** In connection with transactions in repurchase agreements, it is the Fund's policy that its custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction, including accrued interest, at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Fund may be delayed or limited.

**SECURITIES LENDING:** The Fund may lend any of its securities held by State Street Bank and Trust Company ("State Street") as custodian to certain qualified brokers, except those securities which the Fund or the Investment Manager specifically identifies as not being available. By lending its investment securities, the Fund attempts to increase its net investment income through the receipt of interest on the loan. Any gain or loss in the market price of the securities loaned that might occur and any interest or dividends declared during the term of the loan would accrue to the account of the Fund. Risks of delay in recovery of the securities or even loss of rights in the collateral may occur should the borrower of the securities fail financially. Risks may also arise to the extent that the value of the collateral decreases below the value of the securities loaned.

Upon entering into a securities lending transaction, the Fund receives cash or other securities as collateral in an amount equal to or exceeding 100% of the current market value of the loaned securities with respect to securities of the U.S. government or its agencies, 102% of the current market value of the loaned securities with respect to U.S. securities and 105% of the current market value of the loaned securities with respect to foreign securities. Any cash received as collateral is generally invested by State Street, acting in its capacity as securities lending agent (the "Agent"), in the Securities Lending Quality Trust. A portion of the dividends received on the collateral is rebated to the borrower of the securities and the remainder is split between the Agent and the Fund.

As of April 30, 2008, the Fund had loaned securities which were collateralized by cash and short term investments. The value of the security on loan and the value of the related collateral were as follows:

| VALUE OF<br>SECURITY | VALUE OF<br>CASH<br>COLLATERAL | VALUE OF<br>NON-CASH<br>COLLATERAL* | TOTAL<br>COLLATERAL |
|----------------------|--------------------------------|-------------------------------------|---------------------|
| \$71,893,805         | \$75,213,615                   | \$881,783                           | \$76,095,398        |

\* The Fund cannot repledge or resell this collateral. The non-cash collateral is comprised of government securities.

**FOREIGN CURRENCY TRANSLATIONS:** The records of the Fund are maintained in U.S. dollars. Foreign currencies, investments and other assets and liabilities are translated into U.S. dollars at the current exchange rates. Purchases and sales of investment securities and income and expenses are translated on the respective dates of such transactions. Net realized gains and losses on foreign currency transactions represent net gains and losses from the disposition of foreign currencies, currency gains and losses realized between the trade dates and settlement dates of security transactions, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. The effects of changes in foreign currency exchange rates on investments in securities are not segregated in the Statement of Operations from the effects of changes in market prices of those securities, but are included in realized and unrealized gain or loss on investments.

**OPTION CONTRACTS:** The Fund may purchase and write (sell) call options and put options provided the transactions are for hedging purposes and the initial margin and premiums do not exceed 5% of total assets. Option contracts are valued daily and unrealized gains or losses are recorded based upon the last sales price on the principal exchange on which the options are traded. The Fund will realize a gain or loss upon the expiration or closing of the option contract. When an option is exercised, the proceeds on sales of the underlying security for a written call option, the purchase cost of the security for a written put option, or the cost of the security for a purchased put or call option is adjusted by the amount of premium received or paid.

The risk in writing a call option is that the Fund gives up the opportunity for profit if the market price of the security increases and the option is exercised. The risk in writing a put option is that the Fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in buying an option is that the Fund pays a premium whether or not the option is exercised. Risks may also arise from an illiquid secondary market or from the inability of counter parties to meet the terms of the contract.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

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**EQUITY LINKED SECURITIES:** The Fund may invest in equity-linked securities such as linked participation notes, equity swaps and zero-strike options and securities warrants. Equity-linked securities currently held by the Fund, identified as "Access Products" in the Schedule of Investments, are privately issued securities whose investment results are designed to correspond generally to the performance of a specified stock index or "basket" of stocks, or a single stock. Access Products may be used by the Fund to gain exposure to countries that place restrictions on investments by foreigners. To the extent that the Fund invests in Access Products whose return corresponds to the performance of a foreign securities index or one or more foreign stocks, investing in Access Products will involve risks similar to the risks of investing in foreign securities. In addition, the Fund bears the risk that the issuer of an Access Product may default on its obligation under the terms of the arrangement with the counterparty. Access Products are often used for many of the same purposes as, and share many of the same risks with, derivative instruments. In addition, Access Products may be considered illiquid.

At April 30, 2008, the Fund held equity-linked Access Product warrants through Credit Lyonnais ("CLSA") and Citigroup Global Markets Holdings, the issuers. Under the terms of the agreements, each warrant entitles the Fund to receive

from the issuers an amount in U.S. dollars linked to the performance of specific equity shares.

**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 April 30, 2008 was \$26,250,529 or 3.6% 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         | MARKET       |
|--|------------------|--------------|--------------|
| China Silicon Corp., Series A Preferred* | 11/30/2007       | \$ 6,525,484 | \$ 6,525,484 |
| Highlight Tech. Corp.                    | 09/11/2007       | \$ 6,000,000 | \$ 5,993,069 |
| Qingdao Bright Moon                      | 02/28/2008       | \$ 6,937,718 | \$ 7,001,976 |
| Sino Twinwood Pte Ltd.                   | 05/02/2007       | \$ 3,164,274 | \$ 3,050,000 |
| teco Optronics Corp.                     | 04/26/2004       | \$ 567,320   | \$ --        |
| Wuxi PAIHO                               | 09/17/2007       | \$ 3,680,000 | \$ 3,680,000 |
|  |                  | \$26,874,796 | \$26,250,529 |

\* The purchase of China Silicon Corp., Series A Preferred resulted in the Fund receiving 27,418 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 \$2.98 USD per share, subject to adjustment.

#### INDEMNIFICATION OBLIGATIONS

Under the Fund's organizational documents, its Directors and Officers are indemnified against certain liabilities arising out of the performance of their duties to the Fund. In addition, in the normal course of business the Fund enters into contracts that provide general indemnifications to other parties. The Fund's maximum exposure under these

#### NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred.

**SECURITY TRANSACTIONS AND INVESTMENT INCOME:** Security transactions are recorded as of the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, or, in the case of dividend income on foreign securities, on the ex-dividend date or when the Fund becomes aware of its declaration. Interest income is recorded on the accrual basis. All premiums and discounts are amortized/accreted for both financial reporting and federal income tax purposes.

Dividend and interest income generated in Taiwan is subject to a 20% withholding tax. Stock dividends received (except those which have resulted from capitalization of capital surplus) are taxable at 20% of the par value of the stock dividends received. The Fund records the taxes paid on stock dividends as an operating expense.

**DIVIDENDS AND DISTRIBUTIONS:** The Fund intends to distribute to its shareholders, at least annually, substantially all of its net investment income and any net realized capital gains. Income and capital gains distributions are determined in accordance with U.S. income tax regulations, which may differ from generally accepted accounting principles. These differences are primarily due to differing book and tax treatments for foreign currency transactions.

The Fund made distributions of \$45,476,998 from Ordinary Income and \$131,183,649 from Long-Term Capital Gains during the six months ended April 30, 2008. For the year ended October 31, 2007 the Fund made distributions of \$18,566,759 from Ordinary Income and \$39,587,728 from Long-Term Capital Gains.

**FEDERAL INCOME TAXES:** The Fund has qualified and intends to qualify in the future as a regulated investment company by complying with the provisions of

Subchapter M of the Internal Revenue Code available to certain investment companies, including making distributions of taxable income and capital gains sufficient to relieve it from all, or substantially all, federal income and excise taxes.

**NOTE B -- ADVISORY FEE AND OTHER TRANSACTIONS WITH AFFILIATES**

Martin Currie Inc., the investment manager for the Fund receives a fee, computed weekly and payable monthly, at the following annual rates: 0.70% of the first US\$315 million of the Fund's average weekly net assets invested in listed assets; and 0.50% of the Fund's average weekly net assets invested in listed assets in excess of US\$315 million. They also receive a fee computed weekly and payable monthly, at an annual rate of 2.0% of the average weekly value of the Fund's assets invested in direct investments.

No director, officer or employee of the investment manager or any affiliate will receive any compensation from the Fund for serving as an officer or director of the Fund. The Fund pays the Chairman of the Board and each of the directors (who is not a director, officer or employee of the investment manager or any affiliate thereof) an annual fee of \$27,500 and \$15,000 respectively, plus \$3,000 for each Board of Directors', Audit and Nominating Committee meetings attended, \$2,000 for each telephonic meeting attended and \$1,000 for each Valuation Committee teleconference attended. In addition, the Fund will reimburse each of the directors for travel and out-of-pocket expenses incurred in connection with attending Board of Directors' meetings.

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**NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**

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State Street provides, or arranges for the provision of certain administrative services for the Fund, including preparing certain reports and other documents required by federal and/or state laws and regulations. The Fund pays State Street a fee at an annual rate of 0.13% of the Fund's average daily net assets up to \$150 million, 0.11% of the next \$150 million and 0.06% of those assets in excess of \$300 million subject to certain minimum requirements for fund administration services. On March 6, 2008 the Board approved an amendment to the fee schedule as follows: the Fund pays State Street a fee at an annual rate of 0.13% of the Fund's average daily net assets up to \$150 million, 0.11% of the next \$150 million, 0.06% of the next \$400 million and 0.05% of those in excess of \$400 million subject to certain minimum requirements for fund administration services. The Fund also pays State Street \$100,000 per year for certain legal administration services, including corporate secretarial services and preparing regulatory filings.

The Fund also has a contract with State Street to provide custody and fund accounting services to the Fund. For these services, the Fund pays State Street asset-based fees that vary according to the number of positions and transactions plus out of pocket expenses.

**NOTE C -- CAPITAL STOCK**

The Board of Directors of the Fund has approved a share repurchase plan. Under the program, the Fund will repurchase shares at management's discretion at times when it considers the repurchase to be consistent with the objectives of the program. For the six months ended April 30, 2008, the Fund did not purchase any shares under this program. At April 30, 2008, 100,000,000 shares of \$.01 par value common stock were authorized.

**NOTE D -- INVESTMENT TRANSACTIONS**

For the six months ended April 30, 2008, the Fund's cost of purchases and proceeds from sales of investment securities, other than short-term securities, were \$177,748,277 and \$246,891,208, respectively. At April 30, 2008, the cost of investments for federal income tax purposes was \$483,241,313. Gross unrealized appreciation of investments was \$254,525,987, while gross unrealized depreciation of investments was \$30,956,897, resulting in net unrealized appreciation of investments of \$223,569,090.

**NOTE E -- INVESTMENTS IN CHINA**

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.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)

NOTE F -- INVESTMENTS IN NON-CONTROLLED AFFILIATES\*:

| NAME OF ISSUER                               | BALANCE OF SHARES HELD OCTOBER 31, 2007 | GROSS PURCHASES AND ADDITIONS | GROSS SALES AND REDUCTIONS | BALANCE OF SHARES HELD APRIL 30, 2008 | VALUE APRIL 30, 2008 | DIVIDENDS INCLUDED IN DIVIDEND INCOME NON-CONTROLLED AFFILIATES |
|--|---|-------------------------------|----------------------------|---------------------------------------|----------------------|---|
| CDW Holding, Ltd. ....                       | 60,000,000                              | --                            | --                         | 60,000,000                            | \$3,093,011          | \$ --   |
| China Medical System Holdings, Ltd. ....     | 3,623,188                               | --                            | --                         | 3,623,188                             | \$7,442,055          | \$362,319   |
| China Silicon Corp., Series A Preferred..... | --                                      | 27,418                        | --                         | 27,418                                | \$6,525,484          | \$ --   |
| China Silicon Corp. Warrants.....            | --                                      | 27,418                        | --                         | 27,418                                | \$ --                | \$ --   |
| Far East Energy Corp. ....                   | 11,111,111                              | --                            | --                         | 11,111,111                            | \$6,100,000          | \$ --   |
| Highlight Tech Corp. ....                    | 3,366,893                               | --                            | --                         | 3,366,893                             | \$5,993,069          | \$ --   |
| Qingdao Bright Moon.....                     | --                                      | 31,827,172                    | --                         | 31,827,172                            | \$7,001,976          | \$ --   |
| Sino Twinwood Pte, Ltd. ....                 | 500,000                                 | --                            |                            | 500,000                               | \$3,050,000          | \$ --   |
| teco Optronics Corp. ....                    | 1,861,710                               | --                            | --                         | 1,861,710                             | \$ --                | \$ --   |

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

NOTE G -- NEW ACCOUNTING PRONOUNCEMENTS

In accordance with Securities and Exchange Commission guidance, the Fund implemented the provisions of Financial Accounting Standards Board Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes, on April 30, 2008. The Fund has reviewed the tax positions for the open tax period as of April 30, 2008 and the open tax years of October 31, 2004 through October 31, 2007 and has determined that the implementation of FIN 48 did not have a material impact on the Fund's financial statements.

In September 2006, Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157), was issued and is effective for fiscal years beginning after November 15, 2007. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the impact the adoption of SFAS 157 will have on the Fund's financial statement disclosures.

In addition, in March 2008, the Financial Accounting Standards board ("FASB") issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS 161"). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about the Fund's derivative and hedging activities. Management is currently evaluating the impact the adoption of SFAS 161 will have on the Fund's financial statement disclosures.

RESULTS OF ANNUAL STOCKHOLDER MEETING HELD ON MARCH 6, 2008

- 1.) Election of Directors -- The stockholders of the Fund elected Nigel Tulloch and William Kirby as Class III directors to serve for a term expiring on the date on which the annual meeting of stockholders is held in 2011.

|               | FOR       | AGAINST | ABSTAIN   |
|---------------|-----------|---------|-----------|
|               | -----     | -----   | -----     |
| Nigel Tulloch | 7,187,567 | 0       | 1,779,213 |
| William Kirby | 8,765,368 | 0       | 201,411   |

- 2.) To approve the elimination of the Fund's fundamental investment policy requiring at least 65% of the Fund's assets to be invested in the equity securities of China companies.

- 2.) To approve the elimination of the Fund's fundamental investment policy requiring at least 65% of the Fund's assets to be invested in the equity securities of China companies.

| FOR       | AGAINST | ABSTAIN |
|-----------|---------|---------|
| -----     | -----   | -----   |
| 6,181,086 | 236,621 | 77,023  |

PRIVACY POLICY

PRIVACY NOTICE

The China Fund, Inc. collects nonpublic personal information about its shareholders from the following sources:

[ ] Information it receives from shareholders on applications or other forms; and

[ ] Information about shareholder transactions with the Fund.

THE FUND'S POLICY IS TO NOT DISCLOSE NONPUBLIC PERSONAL INFORMATION ABOUT ITS SHAREHOLDERS TO NONAFFILIATED THIRD PARTIES (other than disclosures permitted by law).

The Fund restricts access to nonpublic personal information about its shareholders to those agents of the Fund who need to know that information to provide products or services to shareholders. The Fund maintains physical, electronic and procedural safeguards that comply with federal standards to guard its shareholders' nonpublic personal information.

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THE CHINA FUND, INC.

OTHER INFORMATION (UNAUDITED) (CONTINUED)

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PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that are used by the Fund's investment adviser to vote proxies relating to the Fund's portfolio securities is available (1) without charge, upon request, by calling 1-888-CHN-CALL (246-2255); and (2) as an exhibit to the Fund's annual report on Form N-CSR which is available on the website of the Securities and Exchange Commission (the "Commission") at <http://www.sec.gov>. Information regarding how the investment adviser votes its proxies is now available by calling the same number and on the Commission's website. The Fund has filed its report on Form N-PX covering the Fund's proxy voting record for the 12 month period ending June 30, 2007.

QUARTERLY PORTFOLIO OF INVESTMENTS

A Portfolio of Investments will be filed as of the end of the first and third quarter of each fiscal year on Form N-Q and will be available on the Commission's website at <http://www.sec.gov>. Form N-Q has been filed as of January 31, 2008 for the first quarter of this fiscal year and is available on the Commission's website at <http://www.sec.gov>. Additionally, the Portfolio of

Investments may be reviewed and copied at the Commission's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The quarterly Portfolio of Investments will be made available without charge, upon request, by calling 1-888-246-2255.

#### CERTIFICATIONS

The Fund's chief executive officer has certified to the New York Stock Exchange that, as of June 10, 2008, he was not aware of any violation by the Fund of applicable New York Stock Exchange corporate governance listing standards. The Fund also has included the certifications of the Fund's chief executive officer and chief financial officer required by Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 in the Fund's Form N-CSR filed with the Securities and Exchange Commission, for the period of this report.

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#### DIVIDENDS AND DISTRIBUTIONS; DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN

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The Fund will distribute to shareholders, at least annually, substantially all of its net investment income from dividends and interest earnings and expects to distribute any net realized capital gains annually. Pursuant to the Dividend Reinvestment and Cash Purchase Plan (the "Plan"), adopted by the Fund, each shareholder will be deemed to have elected, unless Computershare Trust Company, N.A., the Plan Administrator, is otherwise instructed by the stockholder in writing, to have all distributions automatically reinvested by the Plan Administrator in Fund shares pursuant to the Plan. Shareholders who do not participate in the Plan will receive all distributions in cash paid by check in U.S. dollars mailed directly to the stockholder by Computershare Trust Company, N.A., as paying agent. Shareholders who do not wish to have distributions automatically reinvested should notify the Fund by contacting Computershare c/o The China Fund, Inc. at P.O. Box 43010, Providence, Rhode Island 02940-3011. Phone: 1-800-426-5523.

Computershare Trust Company, N.A. and Computershare Shareholder Services, Inc. (collectively, "Computershare" or the "Plan Administrator"), acts as Plan Administrator and Service Agent. If the Directors of the Fund declare an income dividend or a capital gains distribution payable either in the Fund's Common Stock or in cash, as shareholders may have elected, non-participants in the Plan will receive cash and participants in the Plan will receive Common Stock, to be issued by the Fund. If the market price per share on the valuation date equals or exceeds net asset value per share on that date, the Fund will issue new shares to participants at net asset value or, if the net asset value is less than 95% of the market price on the valuation date, then at 95% of the market price. The valuation date will be the dividend or distribution payment date or, if that date is not a trading day on the exchange on which the Fund's shares are then listed, the next preceding trading day. If net asset value exceeds the market price of Fund shares at such time, participants in the Plan will be deemed to have elected to receive shares of stock from the Fund, valued at market price on the valuation date. If the Fund should declare a dividend or capital gains distribution payable only in cash, the Plan Administrator will, as administrator for the participants, buy Fund shares in the open market, on the New York Stock Exchange or elsewhere, with the cash in respect of such dividend or distribution, for the participant's account on, or shortly after, the payment date.

Participants in the Plan have the option of making additional payments to the Plan Administrator, annually, in any amount from \$100 to \$3,000 for investment in the Fund's Common Stock. The Plan Administrator will use all funds received from participants (as well as any dividends and capital gains distributions received in cash) to purchase Fund shares in the open market on or about January 15 of each year. Any voluntary cash payments received more than thirty days prior to such date will be returned by the Plan Administrator, and interest will not be paid on any uninvested cash payments. To avoid unnecessary cash accumulations, and also to allow ample time for receipt and processing by the Plan Administrator, it is suggested that participants send in voluntary cash payments to be received by the Plan Administrator approximately ten days before January 15. A participant may withdraw a voluntary cash payment by written notice, if the notice is received by the Plan Agent not less than 48 hours before such payment is to be invested.

The Plan Administrator maintains all stockholder accounts in the Plan and

furnishes written confirmations of all transactions in the account, including information needed by shareholders for personal and tax records. Shares in the account of each Plan participant will be held by the Plan Administrator in non-certificated form in the name of the participant, and each stockholder's proxy will include those shares purchased pursuant to the Plan.

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DIVIDENDS AND DISTRIBUTIONS;  
DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (CONTINUED)

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In the case of shareholders, such as banks, brokers or nominees, which hold shares for others who are the beneficial owners, the Plan Administrator will administer the Plan on the basis of the number of shares certified from time to time by the stockholder as representing the total amount registered in the stockholder's name and held for the account of beneficial owners who are participating in the Plan.

There is no charge to participants for reinvesting dividends or capital gains distributions. The Plan Administrator's fees for the handling of the reinvestment of dividends and distributions will be paid by the Fund. However, each participant's account will be charged a pro rata share of brokerage commissions incurred with respect to the Plan Administrator's open market purchases in connection with the reinvestment of dividends or capital gains distributions. A participant will also pay brokerage commissions incurred in purchases from voluntary cash payments made by the participant. Brokerage charges for purchasing small amounts of stock for individual accounts through the Plan are expected to be less than the usual brokerage charges for such transactions, because the Plan Administrator will be purchasing stock for all participants in blocks and prorating the lower commission thus attainable.

The automatic reinvestment of dividends and distributions will not relieve participants of any income tax which may be payable on such dividends and distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan as applied to any voluntary cash payment made and any dividend or distribution paid subsequent to notice of the change sent to all shareholders at least 90 days before the record date for such dividend or distribution. The Plan also may be amended or terminated by the Plan Administrator by at least 90 days' written notice to all shareholders. All correspondence concerning the Plan should be directed to Computershare c/o The China Fund, Inc. at P.O. Box 43011, Providence, Rhode Island 02940-3011. Phone: 1-800-426-5523.

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DIRECTORS AND OFFICERS (UNAUDITED)

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The following table provides information concerning each of the Directors of the Fund. The Board of Directors is comprised of Directors who are not interested persons of the Fund, as that term is defined in Section 2(a)(19) of the 1940 Act. The Directors are divided into three classes, designated as Class I, Class II and Class III. The Directors in each such class are elected for a term of three years to succeed the Directors whose term of office expires. Each Director shall hold office until the expiration of his term and until his successor shall have been elected and qualified. The Fund Complex consists of one series.

| NAME (AGE) AND<br>ADDRESS OF DIRECTOR  | PRESENT<br>OFFICE<br>WITH THE<br>FUND                           | PRINCIPAL OCCUPATION OR EMPLOYMENT<br>DURING PAST FIVE YEARS AND<br>DIRECTORSHIPS IN PUBLICLY HELD<br>COMPANIES  | DIRECTOR<br>SINCE |
|--|---|--|-------------------|
|  |   |  |                   |
| James J. Lightburn<br>(64).....<br>13, Rue Alphonse<br>de Neuville<br>75017 Paris,<br>France                               | Chairman of<br>the Board<br>and<br>Director                     | Chairman of the Board of the Fund;<br>Attorney, Nomos, (2004-present);<br>Attorney, member of Hughes Hubbard &<br>Reed (1993-2004).  | 1992              |
| Michael F. Holland<br>(63).....<br>375 Park Avenue<br>New York, New York<br>10152  | Director  | Chairman, Holland & Company L.L.C.<br>(1995- present); Director, The Holland<br>Balanced Fund, Inc., Reaves Utility<br>Income Fund, Scottish Widows<br>Investment Partnership Trust and The<br>Taiwan Fund, Inc.; Trustee, State<br>Street Master Funds and State Street<br>Institutional Investment Trust.  | 1992              |
| William Kirby (58)..<br>Harvard University<br>CGIS South<br>Building<br>1730 Cambridge<br>Street<br>Cambridge, MA<br>02138 | Director  | Director, John K. Fairbank Center for<br>Chinese Studies Harvard University<br>(2006-present); Chairman, Harvard<br>China Fund (2006-present); Harvard<br>University Distinguished Service<br>Professor (2006-Present); Visiting<br>Professor of Business Administration<br>Harvard Business School (2006-<br>Present); Dean of the Faculty of Arts<br>and Sciences Harvard University (2002-<br>2006) | 2007              |
| Joe O. Rogers (59)..<br>2477 Foxwood Drive<br>Chapel Hill, NC<br>27514   | Director  | The Rogers Team LLC, organizing member<br>(July 2001-present); Manager, The J-<br>Squared Team LLC (April 2003-May<br>2004); Director, The Taiwan Fund, Inc.<br>(1986-present).  | 1992              |
| Nigel S. Tulloch<br>(62).....<br>7, Circe Circle<br>Dalkeith<br>WA6009<br>Australia  | Director  | Chief Executive, HSBC Asset Management<br>Bahamas Limited (1986-1992); Director,<br>The HSBC China Fund Limited (1992-<br>2005).   | 1992              |
| Paul Hahesy (35)....<br>Foreside<br>Compliance<br>Services, LLC.<br>Two Portland<br>Square<br>Portland, ME 04101           | Chief<br>Compliance<br>Officer of<br>Services, LLC.<br>the Fund | Compliance Manager, Foreside<br>Compliance Services, LLC. (2005-<br>present); Compliance Consultant,<br>Metlife (2002-2005)  |                   |
| Gary L. French<br>(56).....<br>2 Avenue de<br>Lafayette<br>Boston, MA 02111  | President   | Senior Vice President, State Street<br>Bank and Trust Company (2002 -<br>present); Managing Director, Deutsche<br>Asset Management, Inc. and Zurich<br>Scudder Investments (acquired by<br>Deutsche Bank in 2002) (2001-2002).   |                   |

| NAME (AGE) AND<br>ADDRESS OF DIRECTOR   | PRESENT<br>OFFICE<br>WITH THE<br>FUND | PRINCIPAL OCCUPATION OR EMPLOYMENT<br>DURING PAST FIVE YEARS AND<br>DIRECTORSHIPS IN PUBLICLY HELD<br>COMPANIES | DIRECTOR<br>SINCE |
|---|---------------------------------------|---|-------------------|
|   |                                       | -----   |                   |
| William C. Cox<br>(41).....<br>2 Avenue de<br>Lafayette<br>Boston, MA 02111   | Treasurer                             | Vice President, State Street Bank and<br>Trust Company.   |                   |
| Mary Moran Zeven<br>(46).....<br>2 Avenue de<br>Lafayette<br>Boston, MA 02111 | Secretary                             | Senior Vice President and Senior<br>Counsel, State Street Bank and Trust<br>Company.                            |                   |

Alan Tremain (70), Placido Mer 5200 North Flagler #25, West Palm Beach Florida 33408, served as a Director from 1992 until his retirement on March 6, 2008.

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THE CHINA FUND, INC.

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UNITED STATES ADDRESS  
The China Fund, Inc.  
c/o State Street Bank and Trust Company  
2 Avenue de Lafayette, 4th Floor  
P.O. Box 5049  
Boston, MA 02206-5049  
1-888-CHN-CALL (246-2255)

DIRECTORS AND OFFICERS  
James J. Lightburn, Chairman of the Board and Director  
Michael F. Holland, Director  
William Kirby, Director  
Joe O. Rogers, Director  
Nigel S. Tulloch, Director  
Paul Hahesy, Chief Compliance Officer of the Fund  
Gary L. French, President  
William C. Cox, Treasurer  
Mary Moran Zeven, Secretary

INVESTMENT MANAGER  
Martin Currie Inc.

SHAREHOLDER SERVICING AGENT  
The Altman Group

ADMINISTRATOR AND CUSTODIAN  
State Street Bank and Trust Company

TRANSFER AGENT, DIVIDEND PAYING AGENT AND REGISTRAR  
Computershare Trust Company, N.A.

INDEPENDENT AUDITORS  
Deloitte & Touche, LLP

LEGAL COUNSEL  
Clifford Chance US LLP

ITEM 2. CODE OF ETHICS.

Not required for this filing.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

Not required for this filing.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not required for this filing.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not required for this filing.

ITEM 6. SCHEDULE OF INVESTMENTS.

Schedule of Investments is included as part of Item 1 of the Form N-CSR.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END INVESTMENT COMPANIES.

Not required for this filing.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board of Directors during the period covered by this Form N-CSR filing.

ITEM 11. 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-CSR based on their evaluation of these 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 1934 Act (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 second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

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ITEM 12. EXHIBITS.

- (a) (1) Not required for this filing.
- (a) (2) The certifications required by Rule 30a-2 of the Investment Company Act of 1940, as amended (the "1940 Act") are attached hereto.
- (a) (3) Not required for this filing.
- (b) The certifications required by Rule 30a-2(b) of the 1940 Act and Section 906 of the Sarbanes-Oxley Act of 2002 are attached hereto.

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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/ Gary L. French  
Gary L. French  
President of The China Fund, Inc.

Date: July 3, 2008

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 of The China Fund, Inc.

Date: July 3, 2008

By: /s/ William C. Cox  
William C. Cox  
Treasurer of The China Fund, Inc.

Date: July 3, 2008

**DOCUMENT TYPE: EX-99.12(A)(2)**

**EXHIBIT 12(a) (2)**

I, Gary L. French, President of The China Fund, Inc., certify that:

1. I have reviewed this report on Form N-CSR of The China Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal controls over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Gary L. French  
President (principal executive officer) of The China Fund, Inc.

I, William C. Cox, Treasurer of The China Fund, Inc., certify that:

1. I have reviewed this report on Form N-CSR of The China Fund, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows (if the financial statements are required to include a statement of cash flows) of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940) and internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of a date within 90 days prior to the filing date of this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 3, 2008

By: /s/ William C. Cox  
William C. Cox  
Treasurer (principal financial officer) of The China Fund, Inc.

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**DOCUMENT TYPE: EX-99.12(B)**

EXHIBIT 12(b)

Gary L. French, Chief Executive Officer, and William C. Cox, Chief Financial Officer of The China Fund, Inc. (the "Fund"), each certify that:

1. This Form N-CSR filing for the Fund (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Fund.

By: /s/ Gary L. French  
Gary L. French  
Chief Executive Officer of The China Fund, Inc.

Date: July 3, 2008

By: /s/ William C. Cox  
William C. Cox  
Chief Financial Officer of the The China Fund, Inc.

Date: July 3, 2008