

THE CHINA FUND, INC.

SEMI-ANNUAL REPORT

April 30, 2022 (Unaudited)

The China Fund, Inc.

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THE CHINA FUND, INC.

KEY HIGHLIGHTS (unaudited)

FUND DATA

NYSE Stock Symbol	CHN
Listing Date	July 10, 1992
Shares Outstanding	10,302,067
Total Net Assets (4/30/22)	\$154,888,844
Net Asset Value Per Share (4/30/22)	\$15.03
Market Price Per Share (4/30/22)	\$13.22

TOTAL RETURN⁽¹⁾

Performance as of 4/30/22:	Net Asset Value	Market Price	MSCI China All-Shares Index
1-Year Cumulative	(35.84)%	(37.92)%	(30.47)%
3-Year Cumulative	1.75%	(0.15)%	(3.50)%
3-Year Annualized	0.58%	(0.05)%	(1.18)%
5-Year Cumulative	30.81%	26.96%	17.26%
5-Year Annualized	5.52%	4.89%	3.24%
10-Year Cumulative	84.95%	78.28%	54.97%
10-Year Annualized	6.34%	5.95%	4.48%

DIVIDEND HISTORY

Record Date	Income	Capital Gains
12/27/21	\$0.0421	\$7.2248
12/28/20	\$0.1502	\$2.1621
12/30/19	\$0.1320	\$1.2523
12/21/18	\$0.1689	\$0.3712
12/19/17	\$0.5493	—
12/19/16	\$0.4678	—
12/28/15	\$0.2133	\$1.2825
12/22/14	\$0.2982	\$3.4669
12/23/13	\$0.4387	\$2.8753
12/24/12	\$0.3473	\$2.9044

(1) Total investment returns reflect changes in net asset value or market price, as the case may be, during each period and assumes that dividends and capital gains distributions, if any, were reinvested in accordance with the dividend reinvestment plan. The net asset value returns are not an indication of the performance of a stockholder's investment in the Fund, which is based on market price. Total investment returns do not reflect the deduction of taxes that a stockholder would pay on Fund distributions or the sale of Fund shares. Total investment returns are historical and do not guarantee future results. Market price returns do not reflect broker commissions in connection with the purchase or sale of Fund shares.

THE CHINA FUND, INC.
ASSET ALLOCATION AS OF April 30, 2022 (unaudited)

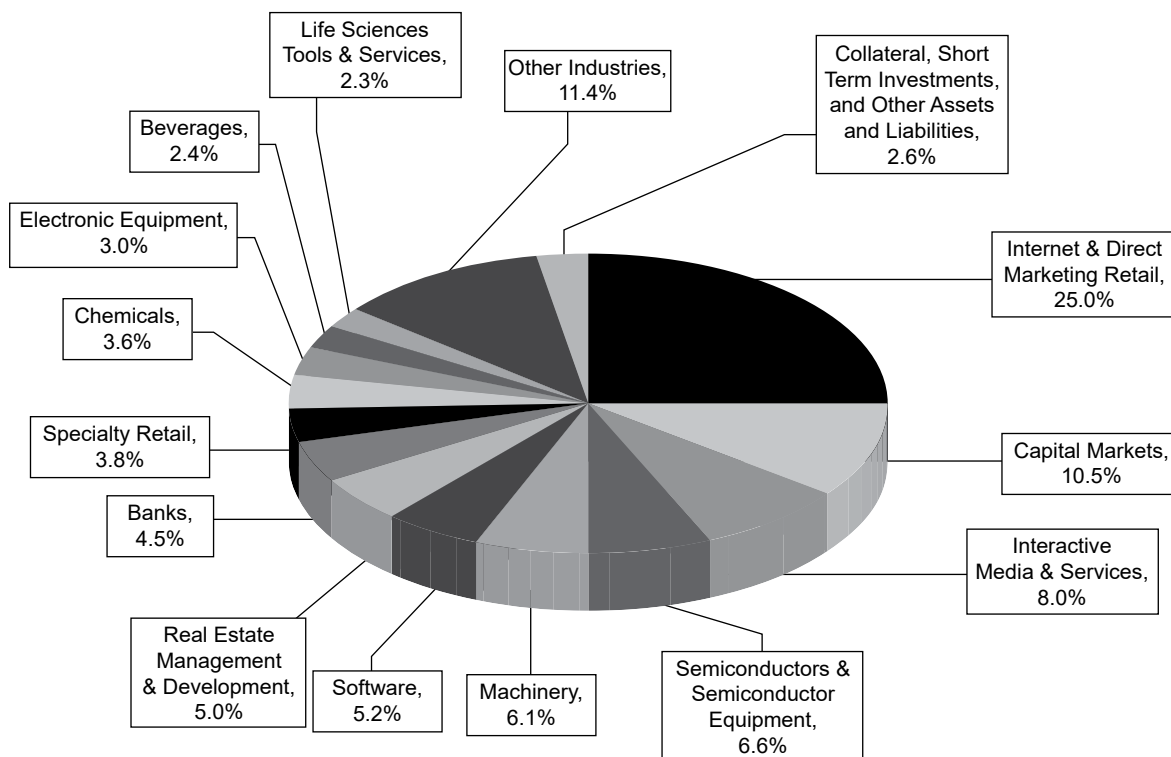
Ten Largest Listed Equity Investments*

Alibaba Group Holding, Ltd.	8.3%
Tencent Holdings, Ltd.	8.0%
JD.com, Inc.	5.9%
Meituan, Inc.	5.9%
Pinduoduo, Inc.	4.9%
China Merchants Bank Co., Ltd.	4.5%
China International Capital Corp., Ltd.	3.8%
CITIC Securities Co., Ltd.	3.7%
Shenzhen Inovance Technology Co., Ltd.	2.2%
China International Travel Service Corp., Ltd.	2.2%

* Percentages based on net assets.

INDUSTRY ALLOCATION (unaudited)

Industry Allocation (as a percentage of net assets)



Fund holdings are subject to change and percentages shown above are based on net assets at April 30, 2022. A complete list of holdings at April 30, 2022 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. You may also obtain holdings by calling 1-888-246-2255.

THE CHINA FUND, INC.

CHAIRMAN’S STATEMENT (unaudited)

Dear fellow Stockholders,

We take much pleasure in providing the semi-annual report for The China Fund, Inc. (the “Fund”) covering the first half of its fiscal year 2021/2022 – that is from November 1, 2021 to April 30, 2022 (the “Period”).

The China Stock Market

This recent Period has been considerably less kind to world stock markets due primarily to a continuation, and in the case of China an escalation, of the Covid pandemic as well as the serious deterioration of the situation in Ukraine and its effects on inflationary and other pressures worldwide.

In my recent letter to you accompanying your Fund’s last annual report I referred to the Chinese Communist Party’s (“CCP”) endeavour to address a gradually overheating economy with measures, whilst undoubtedly well-meant in their intentions but which may now appear to have been hastily instigated, that have provided an overly negative effect on at least portions of its economy.

Through the initial two years of the Covid pandemic China stood out with few or no serious issues or deaths, however the evolution of the Omicron variant has produced a serious about-turn in the health of the nation prompting the CCP to adopt a very strict regime intended to prevent and contain. In March of this year, given the combination of a dramatic rise in the variant across the nation combined with its unique demographics and resources, the CCP instigated a Zero Covid Policy, unknown elsewhere, to halt Omicron’s spread. Despite a combined population of some 48 million between Beijing and Shanghai alone, both cities together with other substantial urban areas across the country were subjected from the spring to sudden and tight lockdowns accompanied by frequent Covid-testing.

Such an unprecedented policy, instigated with little advance warning, had numerous effects on both the peoples of China as well as its economy. On the latter, with industry virtually closed exports declined to the levels of two years past, imports were stagnant on stunted domestic demand whilst delays in shipping times created serious knock-on effects both within China and elsewhere worldwide.

At time of writing lockdowns have been lifted but the country remains under intense Covid testing restrictions as a precaution against any further rise in Omicron whilst the government has restated its determination to maintain the strictest Zero Covid stance.

Fund Performance

For the Period the China stock market as reflected in your Fund’s benchmark, The MSCI China All Shares Index, declined 23.78% whilst your Fund’s net asset value declined 30.77%. The primary cause for this underperformance being stock selection within the IT, Consumer Discretionary and Industrial sectors. After extended regulatory pressure on the large Consumer IT ‘platform’ companies, positions re-established in the latter phase of that correction account for a meaningful portion of that recent underperformance. Your Investment Manager’s report follows which expands on their investment thinking.

Whilst this Period’s performance is disappointing encouragement remains in the longer-term returns. Since both the inception of your Fund (07/10/1992) and its more recent transition to the management of Matthews Asia, the average

THE CHINA FUND, INC.

CHAIRMAN'S STATEMENT (continued) (unaudited)

annual total returns have outperformed those of its benchmark: since inception 9.36% has been the annualized gain - as against an index return of 7.69% whilst since transition (01/08/2019), 8.02% versus a benchmark 5.25%.

At time of writing, it is encouraging that since the June 1 lifting of lockdowns across all of China's cities – although the strict testing requirements remain in place, stock prices have rallied.

Administration

As at all times your board monitors costs carefully and as reported previously has virtually halved the total expense ratio since its appointment. However, the combination of relatively large payouts of realized gains and rapidly falling stock prices are showing an adverse effect on this ratio which, at time of writing, stands at some 1.18% and which is forecast at some 1.27% for the full year.

Discount Management

A further priority of your board is the endeavour to manage any share price discount against its net asset value within an acceptable and agreed range. The primary tool being used for this purpose are buy backs which your board has continued to utilise through the Period within carefully crafted parameters to optimise any such actions.

May we thank all stockholders for their support during a period of what is undoubtedly greatly increased global macro concerns.

Yours very sincerely,

Julian Reid

For The China Fund, Inc.

THE CHINA FUND, INC.

INVESTMENT MANAGER'S STATEMENT (unaudited)

MARKET ENVIRONMENT

The six-month period ending April 30, 2022 was broadly negative and choppy for emerging and Asian equity markets. Continued worry of an economic growth slowdown in China were exacerbated late November as the Omicron coronavirus variant threatened the reopening of major economies, further dampening recovery. Chinese equities continued to underperform regional Asian stocks in December, and an announcement by the Securities and Exchange Commission of new rules requiring Chinese companies and their auditors to open their books to U.S. inspections continued to weigh on sentiment.

As we entered 2022, Chinese equities continued to be weak, weighed down by the confluence of COVID-19 case spikes resulting in enforced lockdowns in tier-one cities, American Depositary Receipts (“ADR”) delisting pricing pressures and investor worries that Russia-like sanctions could be implemented upon select Chinese companies. Although macro data early in the period contained upside surprises, the Chinese government’s zero-COVID policy continued to weigh heavily on certain sectors.

The Chinese government announced that they favor a 2022 Gross Domestic Product growth rate of “around 5.5%.” In our opinion, this was an important “stake in the ground” announcement. However, the worsening COVID-19 lockdown environment in China may increasingly make it difficult for China to reach these goals. We continue to envision a battle between temporary lockdowns and stimulus to unfold. Regardless, we think the government will largely succeed in supporting the Chinese economy and that corporate earnings will remain some of the highest globally in 2022-23.

PERFORMANCE CONTRIBUTORS AND DETRACTORS

For the six-month ending April 30, 2022, The China Fund, Inc. returned -30.77% while its benchmark, the MSCI China All Shares Index, returned -23.78%. From a sector perspective, industrials and financials detracted the most from relative performance while consumer discretionary was the best performing sector relative to the benchmark.

Turning to individual holdings, two performance detractors during the period include security trading and brokerage firm China Merchants Securities Co. and investment bank China International Capital Corp. Securities companies tend to be sensitive to market and trading sentiment and therefore underperformed during this period of market volatility. Longer term, we still view these companies as attractively priced businesses that would benefit from China’s deepening capital markets.

On the other hand, state-owned enterprise (“SOE”) property developer China Overseas Land and Development contributed the most to the Fund’s absolute and relative performance. SOE developers have stronger balance sheets, and we believe they will benefit from the ability to buy attractively priced assets as the consolidation of the real estate continues.

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

OUTLOOK

Looking ahead, there are promising signs that some of the most negative headwinds will soon be subsiding. We have observed that regulatory interventions have lessened considerably, and the government continues to provide more support to the private economy. There are also increasing signs that point to a more optimistic resolution of the U.S. ADR delisting issues ahead. However, COVID lockdowns continue to put pressure on the economy and present a significant risk to economic growth in China this year, but there are signs that Beijing is planning to ease restrictions. While there is still uncertainty in when these COVID lockdown restrictions will end, we believe that these measures cannot go on indefinitely. When these headwinds subside, China, unlike the West, may find itself in a benign environment, with inflation under control, consumers ready to spend. Thus, relative to the rest of the world, China may stand out from its ability to grow and coupled with attractive valuations, continues to be a good investment destination for investors to consider.

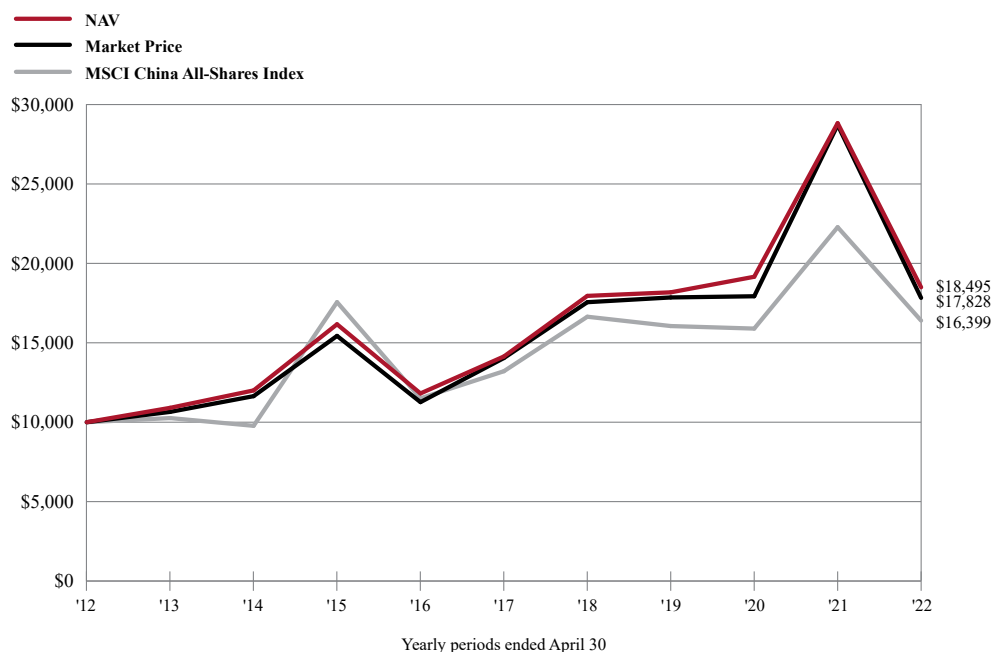
THE CHINA FUND, INC.

PERFORMANCE (unaudited)

Average Annual Total Returns as of 04/30/22

	1-Year	5-Year	10-Year
Net Asset Value (“NAV”) ⁽¹⁾	(35.84)%	5.52%	6.34%
Market Price	(37.92)%	4.89%	5.95%
MSCI China All-Shares Index	(30.47)%	3.24%	4.48%

Growth of a Hypothetical \$10,000 Investment⁽²⁾



⁽¹⁾ **Past performance is not a guide to future returns.** Investment returns are historical and do not guarantee future results. Investment returns reflect changes in NAV and market price per share during each period and assumes that dividends and capital gains distributions, if any, were reinvested in accordance with the dividend reinvestment plan. The NAV percentages are not an indication of the performance of a shareholder's investment in the Fund, which is based on market price. NAV performance includes the deduction of management fees and other expenses. Market price performance does not include the deduction of brokerage commissions and other expenses of trading shares and would be lower had such commissions and expenses been deducted. Indexes are unmanaged and it is not possible to invest directly in an index. The MSCI China All Shares Index captures large and mid-cap representation across China A shares, B shares, H shares, Red Chips, P chips and foreign listings (e.g. ADRs). The index aims to reflect the opportunity set of China share classes listed in Hong Kong, Shanghai, Shenzhen and outside of China.

⁽²⁾ The graph represents historical performance of a hypothetical investment of \$10,000 in the Fund over ten years. This graph does not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the sale of Fund shares.

Mathews International Capital Management was appointed as Investment Manager January 1, 2019. Prior to that date the Fund had different Investment Management arrangements.

THE CHINA FUND, INC.
PORTFOLIO MANAGEMENT (unaudited)

Matthews International Capital Management, LLC (“Matthews Asia”), the largest dedicated Asia investment specialist in the United States, is an independent, privately owned firm with a focus on long-term investment performance.

Andrew Mattock serves as the Lead Manager for the Fund’s portfolio of listed securities. Prior to joining Matthews Asia in 2015, he was a Fund Manager at Henderson Global Investors for 15 years, first in London and then in Singapore, managing Asia Pacific equities. Andrew holds a Bachelor of Business majoring in Accounting from ACU. He began his career at PricewaterhouseCoopers and qualified as a Chartered Accountant.

THE CHINA FUND, INC.
SCHEDULE OF INVESTMENTS
April 30, 2022 (unaudited)

<u>Name of Issuer and Title of Issue</u>	<u>Shares</u>	<u>Value (Note A)</u>
COMMON STOCK		
CHINA — “A” SHARES		
Banks — 4.5%		
China Merchants Bank Co., Ltd. — A	1,154,947	\$ 6,912,007
Beverages — 2.4%		
Shanxi Xinghuaacun Fen Wine Factory Co., Ltd. — A	19,400	788,806
Wuliangye Yibin Co., Ltd. — A	122,996	<u>2,970,180</u>
		<u>3,758,986</u>
Chemicals — 3.6%		
Shandong Sinocera Functional Material Co., Ltd. — A	330,100	1,608,910
Shanghai Putailai New Energy Technology Co., Ltd. — A*	138,200	2,426,052
Skshu Paint Co., Ltd. — A	54,500	607,068
Wanhua Chemical Group Co., Ltd. — A	73,743	<u>857,436</u>
		<u>5,499,466</u>
Construction Materials — 1.1%		
China Jushi Co., Ltd. — A	702,200	<u>1,648,745</u>
Electrical Equipment — 3.0%		
Contemporary Amperex Technology Co., Ltd. — A	11,600	701,234
Gotion High-tech Co., Ltd. — A*	260,400	1,037,502
NARI Technology Co., Ltd. — A	342,000	1,625,735
Sungrow Power Supply Co., Ltd. — A	142,100	<u>1,334,707</u>
		<u>4,699,178</u>
Electronic Equipment, Instruments & Components — 1.6%		
Wingtech Technology Co., Ltd. — A	155,354	1,518,620
Xiamen Faratronic Co., Ltd. — A	43,700	<u>953,935</u>
		<u>2,472,555</u>
Food Products — 1.3%		
Anjoy Foods Group Co., Ltd. — A	101,300	<u>1,965,464</u>
Health Care Equipment & Supplies — 1.0%		
Shenzhen Mindray Bio-Medical Electronics Co., Ltd. — A	32,900	<u>1,540,526</u>
Health Care Providers & Services — 0.4%		
Topchoice Medical Corp. — A*	32,900	<u>626,914</u>
Household Durables — 1.7%		
Midea Group Co., Ltd. — A	299,329	<u>2,558,617</u>

See notes to financial statements.

THE CHINA FUND, INC.
SCHEDULE OF INVESTMENTS (continued)
April 30, 2022 (unaudited)

<u>Name of Issuer and Title of Issue</u>	<u>Shares</u>	<u>Value (Note A)</u>
COMMON STOCK (continued)		
CHINA — “A” SHARES (continued)		
Life Sciences Tools & Services — 0.9%		
Hangzhou Tigermed Consulting Co., Ltd. — A	105,000	\$ 1,403,368
Machinery — 6.1%		
Estun Automation Co., Ltd. — A	840,400	1,846,751
Jiangsu Hengli Hydraulic Co., Ltd. — A	163,100	1,119,527
Shenzhen Inovance Technology Co., Ltd. — A	400,004	3,428,279
Weichai Power Co., Ltd. — A	714,456	1,191,858
Wuxi Lead Intelligent Equipment Co., Ltd. — A	310,400	<u>2,035,478</u>
		9,621,893
Pharmaceuticals — 1.3%		
Jiangsu Hengrui Medicine Co., Ltd. — A	452,700	<u>1,999,135</u>
Semiconductors & Semiconductor Equipment — 6.6%		
All Winner Technology Co., Ltd. — A	345,420	937,940
Beijing Huafeng Test & Control Technology Co., Ltd. — A	28,216	1,357,911
Gigadevice Semiconductor Beijing, Inc. — A	95,467	1,759,479
Hangzhou Silan Microelectronics Co., Ltd. — A	224,100	1,385,511
LONGi Green Energy Technology Co., Ltd. — A	170,541	1,726,630
NAURA Technology Group Co., Ltd. — A	17,002	601,437
Will Semiconductor Co., Ltd. Shanghai — A	50,800	1,138,039
Zhejiang Jingsheng Mechanical & Electrical Co., Ltd. — A	189,100	<u>1,422,055</u>
		10,329,002
Software — 4.7%		
Beijing Kingsoft Office Software, Inc. — A	53,355	1,496,841
Sangfor Technologies, Inc. — A	39,567	524,873
Shanghai Baosight Software Co., Ltd. — A	412,100	2,937,049
Thunder Software Technology Co., Ltd. — A	168,662	<u>2,349,757</u>
		<u>7,308,520</u>
Specialty Retail — 2.2%		
China International Travel Service Corp., Ltd. — A	124,500	<u>3,358,890</u>
Transportation Infrastructure — 1.4%		
Shanghai International Airport Co., Ltd. — A*	288,100	<u>2,121,681</u>
TOTAL CHINA — “A” SHARES — (Cost \$87,280,045)	43.8%	<u>67,824,947</u>

See notes to financial statements.

THE CHINA FUND, INC.
SCHEDULE OF INVESTMENTS (continued)
April 30, 2022 (unaudited)

<u>Name of Issuer and Title of Issue</u>	<u>Shares</u>	<u>Value (Note A)</u>
COMMON STOCK (continued)		
HONG KONG		
Capital Markets — 1.0%		
Hong Kong Exchanges & Clearing, Ltd.	37,000	\$ 1,569,349
Entertainment — 1.6%		
Bilibili, Inc. ADR ^{(1)*}	100,700	2,451,038
Interactive Media & Services — 8.0%		
Tencent Holdings, Ltd.	263,600	12,396,384
Internet & Direct Marketing Retail — 25.0%		
Alibaba Group Holding, Ltd.*	1,032,508	12,730,516
JD.com, Inc.*	283,104	9,165,547
Meituan, Inc. 144A*	430,700	9,157,457
Pinduoduo, Inc. ADR*	174,500	7,519,205
		<u>38,572,725</u>
Life Sciences Tools & Services — 0.3%		
Wuxi Biologics Cayman, Inc. 144A*	67,500	500,680
Real Estate Management & Development — 5.0%		
CIFI Holdings Group Co., Ltd.	5,031,700	2,434,291
KE Holdings, Inc. ADR*	150,300	2,131,254
KWG Living Group Holdings, Ltd.	3,571,000	1,349,914
Times China Holdings, Ltd.	5,359,000	1,894,655
		<u>7,810,114</u>
Software — 0.5%		
Kingdee International Software Group Co., Ltd.*	410,000	835,257
Specialty Retail — 1.6%		
Zhongsheng Group Holdings, Ltd.	377,000	2,487,432
TOTAL HONG KONG — (Cost \$77,693,630)	43.0%	66,622,979
HONG KONG — “H” SHARES		
Capital Markets — 9.5%		
China International Capital Corp., Ltd. 144A	2,952,800	5,930,915
China Merchants Securities Co., Ltd. 144A	3,033,600	3,140,258
CITIC Securities Co., Ltd.	2,602,125	5,702,198
		<u>14,773,371</u>

See notes to financial statements.

THE CHINA FUND, INC.
SCHEDULE OF INVESTMENTS (continued)
April 30, 2022 (unaudited)

<u>Name of Issuer and Title of Issue</u>	<u>Shares</u>	<u>Value (Note A)</u>
COMMON STOCK (continued)		
HONG KONG — “H” SHARES (continued)		
Life Sciences Tools & Services — 1.1%		
Pharmaron Beijing Co., Ltd. 144A	134,500	\$ 1,687,728
TOTAL HONG KONG — “H” SHARES —		
(Cost \$18,185,507)		10.6% 16,461,099
TOTAL HONG KONG (INCLUDING “H” SHARES) —		
(Cost \$95,879,137)		53.6% 83,084,078
TOTAL COMMON STOCK — (Cost \$183,159,182)		97.4% 150,909,025
COLLATERAL FOR SECURITIES ON LOAN		
Money Market Funds — 1.5%		
Fidelity Investments Money Market Government Portfolio, 0.20% [∞] (Cost \$2,264,846)	2,264,846	2,264,846
TOTAL COLLATERAL FOR SECURITIES ON LOAN —		
(Cost \$2,264,846)		1.5% 2,264,846
	Principal Amount	
SHORT TERM INVESTMENTS		
Time Deposits — 2.6%		
Barclays — London, 0.13%, 5/2/2022	USD 2,000,000	2,000,000
Citibank N.A. — New York, 0.13%, 5/2/2022	USD 2,056,483	2,056,483
TOTAL SHORT TERM INVESTMENTS —		
(Cost \$4,056,483)		2.6% 4,056,483
TOTAL INVESTMENTS — (Cost \$189,480,511)		101.5% 157,230,354
OTHER ASSETS AND LIABILITIES		(1.5)% (2,341,510)
NET ASSETS		100.0% \$ 154,888,844

Footnotes to Schedule of Investments

* Denotes non-income producing security.

∞ Rate shown is the 7-day yield as of April 30, 2022.

⁽¹⁾ A security (or a portion of the security) is on loan. As of April 30, 2022, the market value of securities loaned was \$2,426,528. The loaned securities were secured with cash collateral of \$2,264,846. Collateral is calculated based on prior day's prices.

144A Securities exempt from registration under Rule 144a of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers. At April 30, 2022, these restricted securities amounted to \$20,417,038, which represented 13.2% of total net assets.

ADR — American Depositary Receipt

USD — United States dollar

See notes to financial statements.

THE CHINA FUND, INC.
STATEMENT OF ASSETS AND LIABILITIES
April 30, 2022 (unaudited)

ASSETS

Investments in securities, at value (cost \$189,480,511) (including securities on loan, at value, \$2,426,528) (Note A)	\$ 157,230,354
Cash	481
Foreign currency, at value (cost \$37,648)	37,652
Prepaid expenses	<u>138,212</u>
TOTAL ASSETS	<u><u>157,406,699</u></u>

LIABILITIES

Unrealized depreciation on spot contracts	34
Payable upon return of collateral for securities on loan	2,264,846
Investment management fee payable (Note B)	92,015
Administration and custodian fees payable (Note B)	56,858
Chief Compliance Officer fees payable	5,049
Directors' fees payable (Note B)	10,006
Other accrued expenses	<u>89,047</u>
TOTAL LIABILITIES	<u>2,517,855</u>
TOTAL NET ASSETS	<u><u>\$ 154,888,844</u></u>

COMPOSITION OF NET ASSETS:

Par value, 100,000,000 shares authorized, 10,302,067 shares outstanding (Note C)	103,021
Paid in capital in excess of par	180,062,634
Distributable earnings	<u>(25,276,811)</u>
TOTAL NET ASSETS	<u><u>\$ 154,888,844</u></u>

NET ASSET VALUE PER SHARE

(\$154,888,844/10,302,067 shares of common stock outstanding)	<u><u>\$15.03</u></u>
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See notes to financial statements.

THE CHINA FUND, INC.
STATEMENT OF OPERATIONS
Six Months Ended April 30, 2022 (unaudited)

INVESTMENT INCOME:

Dividend income (net of tax withheld of \$6,634)	\$ 94,762
Securities lending income	33,749
Interest income	<u>858</u>
TOTAL INVESTMENT INCOME	<u>129,369</u>

EXPENSES

Investment Management fees (Note B)	770,909
Directors' fees and expenses	109,026
Custodian fees (Note B)	67,373
Insurance	66,706
Legal fees (Note B)	54,558
Administration fees (Note B)	51,361
Chief Compliance Officer fee	30,049
Principal Financial Officer fee	29,760
Audit and tax service fees	27,275
Transfer agent fees	16,566
Fund accounting fees	12,884
Stock exchange listing fee	12,397
Shareholder service fees	11,483
Printing and postage	11,183
Fund Secretary fee	4,663
Miscellaneous expenses	<u>27,152</u>
TOTAL EXPENSES	<u>1,303,345</u>

NET INVESTMENT LOSS

(1,173,976)

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS

Net realized gain on investments	8,552,433
Net realized gain on foreign currency transactions	<u>3,059</u>
	<u>8,555,492</u>
Net change in unrealized appreciation/depreciation on investments	(90,328,488)
Net change in unrealized appreciation/depreciation on foreign currency transactions	<u>(63)</u>
	<u>(90,328,551)</u>

NET REALIZED AND UNREALIZED LOSS ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS

(81,773,059)

NET DECREASE IN NET ASSETS FROM OPERATIONS

\$ (82,947,035)

See notes to financial statements.

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

	<u>Six Months Ended</u> <u>April 30, 2022</u> <u>(unaudited)</u>	<u>Year Ended</u> <u>October 31, 2021</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
Net investment income (loss)	\$ (1,173,976)	\$ 670,929
Net realized gain on investments and foreign currency transactions	8,555,492	76,332,652
Net change in unrealized depreciation on investments and foreign currency translations	<u>(90,328,551)</u>	<u>(65,671,647)</u>
Net increase (decrease) in net assets from operations	<u>(82,947,035)</u>	<u>11,331,934</u>
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Distributable earnings	<u>(75,077,382)</u>	<u>(24,148,077)</u>
Total distributions to shareholders	<u>(75,077,382)</u>	<u>(24,148,077)</u>
CAPITAL SHARE TRANSACTIONS:		
Cost of shares repurchased (Note D)	<u>(1,389,190)</u>	<u>(2,293,503)</u>
Net decrease in net assets from capital share transactions	<u>(1,389,190)</u>	<u>(2,293,503)</u>
NET DECREASE IN NET ASSETS	<u>(159,413,607)</u>	<u>(15,109,646)</u>
NET ASSETS:		
Beginning of Period	<u>314,302,451</u>	<u>329,412,097</u>
End of Period	<u>\$ 154,888,844</u>	<u>\$ 314,302,451</u>

See notes to financial statements.

THE CHINA FUND, INC.

FINANCIAL HIGHLIGHTS

Selected data for a share of common stock outstanding for the periods indicated

	Six Months Ended April 30, 2022	Year Ended October 31,			
		2021	2020	2019 ⁽¹⁾	2018
(unaudited)					
Per Share Operating Performance					
Net asset value, beginning of period	\$ 30.32	\$ 31.52	\$ 22.80	\$ 18.98	\$ 23.31
Net investment income (loss)*	(0.11)	0.06	0.06	0.13	0.14
Net realized and unrealized gain (loss) on investments and foreign currency transactions	(7.93)	1.02	9.98	4.09	(3.92)
Total from investment operations	(8.04)	1.08	10.04	4.22	(3.78)
Less dividends and distributions:					
Dividends from net investment income	(0.04)	(0.15)	(0.13)	(0.17)	(0.55)
Distributions from net realized gains	(7.23)	(2.16)	(1.25)	(0.37)	—
Total dividends and distributions	(7.27)	(2.31)	(1.38)	(0.54)	(0.55)
Capital Share Transactions:					
Accretion (Dilution) to net asset value resulting from share repurchase program, tender offer or issuance of shares in stock dividend	0.02	0.03	0.06	0.14	—
Net asset value, end of period	\$ 15.03	\$ 30.32	\$ 31.52	\$ 22.80	\$ 18.98
Market price, end of period	\$ 13.22	\$ 26.06	\$ 27.93	\$ 20.08	\$ 16.98
Total Investment Return (Based on Market Price)	(29.15)%	0.54%	47.84%	21.86%	(17.53)%
Total Investment Return (Based on Net Asset Value)	(30.77)%	3.65%	46.94%	23.79%	(16.55)%
Ratios and Supplemental Data					
Net assets, end of period (000's)	\$154,889	\$314,302	\$329,412	\$242,937	\$298,469
Ratio of gross expenses to average net assets	1.18%	1.00%	1.08%	1.41%	1.91%
Ratio of net expenses to average net assets	1.18%	1.00%	1.08%	1.41%	1.91%
Ratio of net investment income to average net assets	(1.07)%	0.20%	0.25%	0.61%	0.62%
Portfolio turnover rate	51%	76%	60%	132%	50%

* Per share amounts have been calculated using the average share method.

⁽¹⁾ Effective January 1, 2019, Matthews International Capital Management, LLC became the investment manager. Prior to January 1, 2019, the Fund's investment manager was Allianz Global Investors.

See notes to financial statements.

THE CHINA FUND, INC.

NOTES TO FINANCIAL STATEMENTS

April 30, 2022 (unaudited)

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 which it seeks to achieve by investing primarily in equity securities (i) of companies for which the principal securities trading market is in the People’s Republic of China (“China”), (ii) of companies for which the principal securities trading market is outside of China, or constituting direct equity investments in companies organized outside of China, that in both cases derive at least 50% of their revenues from goods or services sold or produced, or have at least 50% of their assets, in China and (iii) constituting direct equity investments in companies organized in China (“Direct Investments”). The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The Fund’s investment manager is Matthews International Capital Management, LLC (“Matthews Asia” or the “Investment Manager”).

The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board Accounting Standard Codification Topic 946 “Financial Services — Investment Companies.”

The financial statements are prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ from those estimates. The following summarizes the significant accounting policies of the Fund:

Security Valuation: Portfolio securities listed on recognized U.S. or foreign security exchanges are valued at the last quoted sales price in the principal market where they are traded. Listed securities with no such sales price and unlisted securities are valued at the mean between the current bid and asked prices, if any, from brokers. Short-term investments having maturities of sixty days or less are valued at amortized cost (original purchase cost as adjusted for amortization of premium or accretion of discount) which when combined with accrued interest approximates market value. Securities for which market quotations are not readily available or are deemed unreliable are valued at fair value in good faith by or at the direction of the Board of Directors (the “Board”) considering relevant factors, data and information including, if relevant, the market value of freely tradable securities of the same class in the principal market on which such securities are normally traded. For securities listed on non-North American exchanges, the Fund fair values those securities daily using fair value factors provided by a third party pricing service if certain thresholds determined by the Board are met. Direct Investments, if any, are valued at fair value as determined by or at the direction of the Board based on financial and other information supplied by the Direct Investment Manager regarding each Direct Investment. Forward currency contracts are valued at the current cost of offsetting the contract. Equity linked securities, if any, are valued at fair value primarily based on the value(s) of the underlying security (or securities), which normally follows the same methodology as the valuation of securities listed on recognized exchanges.

Factors used in determining fair value may include, but are not limited to, the type of security, the size of the holding, the initial cost of the security, the existence of any contractual restrictions on the security’s disposition, the price and extent of public trading in similar securities of the issuer or of comparable companies, the availability of quotations

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

from broker-dealers, the availability of values of third parties other than the Investment Manager, information obtained from the issuer, analysts, and/or the appropriate stock exchange (if available), an analysis of the company's financial statements, an evaluation of the forces that influence the issuer and the market(s) in which the security is purchased and sold and with respect to debt securities, the maturity, coupon, creditworthiness, currency denomination, and the movement of the market in which they trade.

Securities Lending: The Fund may lend up to 33 1/3% of the Fund's total assets held by Brown Brothers Harriman & Co. ("BBH") as custodian to certain qualified brokers, except those securities which the Fund 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. Upon entering into a securities lending transaction, the Fund receives cash 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 BBH, acting in its capacity as securities lending agent (the "Agent"), in the Fidelity Investments Money Market Government Portfolio. A portion of the dividends received on the collateral may be rebated to the borrower of the securities and the remainder is split between the Agent and the Fund.

Remaining Contractual Maturity of the Agreements As of April 30, 2022

	Overnight and Continuous	<30 days	Between 30 & 90 days	>90 days	Total
Securities Lending Transactions					
Money Market Fund	\$ 2,264,846	\$ —	\$ —	\$ —	\$ 2,264,846
Total Borrowings	\$ 2,264,846	\$ —	\$ —	\$ —	\$ 2,264,846
Gross amount of recognized liabilities for securities lending transactions					\$ 2,264,846

As of April 30, 2022 the Fund had loaned securities which were collateralized by cash. The value of the securities on loan and the value of the related collateral were as follows:

Value of Securities	Value of Cash Collateral	Value of Non-Cash Collateral*	Total Collateral
\$2,426,528	\$2,264,846	\$—	\$2,264,846

* Fund cannot repledge or dispose of this collateral, nor does the Fund earn any income or receive dividends with respect to this collateral.

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

Gross Amounts Not Offset in the Statement of Assets and Liabilities

Gross Asset Amounts Presented in Statement of Assets and Liabilities	Financial Instrument	Collateral Received	Net Amount
\$2,264,846	\$—	\$(2,264,846)	\$0

Time Deposits: The Fund places excess cash balances into overnight time deposits with one or more eligible deposit institutions that meet credit and risk standards approved by the Fund. These are classified as short term investments in Schedule of Investments.

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. Net unrealized foreign currency gains and losses arise from changes in the value of assets and liabilities, other than investments in securities, as a result of changes in exchange rates.

Forward Foreign Currency Contracts: The Fund may enter into forward foreign currency contracts to hedge against foreign currency exchange rate risks. A forward currency contract is an agreement between two parties to buy or sell currency at a set price on a future date. Upon entering into these contracts, risks may arise from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of the foreign currency relative to the U.S. dollar. The U.S. dollar value of forward currency contracts is determined using forward exchange rates provided by quotation services. Daily fluctuations in the value of such contracts are recorded as unrealized gain or loss on the Statement of Assets and Liabilities. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value at the time it was opened and the value at the time it was closed. Such gain or loss is disclosed in the realized and unrealized gain or loss on foreign currency in the Fund's accompanying Statement of Operations. At April 30, 2022, the Fund did not hold forward foreign currency contracts.

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 on the Statement of Assets and Liabilities 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. Such gain or loss is disclosed in the realized and unrealized gain or loss on options in the Fund's accompanying Statement of Operations. 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.

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

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 a counterparty to meet the terms of the contract. At April 30, 2022, the Fund did not hold any option contracts.

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 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 equity-linked securities whose return corresponds to the performance of a foreign securities index or one or more foreign stocks, investing in equity-linked securities will involve risks similar to the risks of investing in foreign securities. In addition, the Fund bears the risk that the issuer of any equity-linked securities may default on its obligation under the terms of the arrangement with the counterparty. Equity-linked securities are often used for many of the same purposes as, and share many of the same risks with, derivative instruments. In addition, equity-linked securities may be considered illiquid. At April 30, 2022, the Fund did not hold equity-linked securities.

Direct Investments: The Fund may invest up to 25% of the net proceeds from its offering of its outstanding common stock in Direct Investments; however, the Board of the Fund has suspended additional investments in Direct Investments. Direct Investments are generally restricted and do not have a readily available resale market. Because of the absence of any public trading market for these investments, the Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices on these sales could be less than those originally paid by the Fund. Issuers whose securities are not publicly traded may not be subject to public disclosure and other investor protections requirements applicable to publicly traded securities. At April 30, 2022, the Fund did not hold Direct Investments.

Indemnification Obligations: Under the Fund's organizational documents, its Officers and Directors 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 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.

Dividends and Distributions: The Fund intends to distribute to its stockholders, at least annually, substantially all of its net investment income and any net realized capital gains. Distributions to stockholders are recorded on the ex-dividend date. Income and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. Certain capital accounts in the financial statements are periodically adjusted for permanent differences in order to reflect their tax character. These adjustments have no

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

impact on net assets or net asset value per share. Temporary differences which arise from recognizing certain items of income, expense, gain or loss in different periods for financial statement and tax purposes will reverse at some time in the future. Unless the Board elects to make distributions in shares of the Fund's common stock, the distributions will be paid in cash, except with respect to stockholders who have elected to participate in the Fund's Dividend Reinvestment and Cash Purchase Plan.

Federal Taxes: It is the Fund's policy to qualify each year as a regulated investment company under Subchapter M of the Internal Revenue Code, as amended ("Code") and to distribute to stockholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the period ended April 30, 2022, the Fund did not have a liability for any uncertain tax positions. The Fund recognizes interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. For the previous three years the Fund remains subject to examination by the Fund's major tax jurisdictions, which include the United States of America and the State of Maryland. The Fund may be subject to taxes imposed by governments of countries in which it invests. Such taxes are generally based on either income or gains earned or repatriated. The Fund accrues and applies such taxes to net investment income, net realized gains and net unrealized gains as income and/or gains are earned.

At April 30, 2022, the cost of investments for federal income tax purposes was \$189,480,511. Gross unrealized appreciation of investments was \$11,013,951 while gross unrealized depreciation of investments was \$43,264,108, resulting in net unrealized depreciation of investments of \$32,250,157.

NOTE B — ADVISORY FEE AND OTHER TRANSACTIONS

Matthews Asia is the investment manager for the Fund's listed assets ("Listed Assets"). Matthews Asia receives a fee, computed and accrued daily and paid monthly at an annual rate of 0.70% if assets exceed \$150 million and 0.80% if assets do not exceed \$150 million. For the period ended April 30, 2022, the investment management fee rate was equivalent to an annual effective rate of 0.70% of the Fund's average daily net assets. For the six months ended April 30, 2022, no fees were paid for Direct Investments as the Fund held no such investments during the period.

No director, officer or employee of Matthews Asia, or any of its affiliates receives any compensation from the Fund for serving as an officer or director of the Fund.

BBH 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. For these services, the Fund pays BBH a fee that is calculated daily and paid monthly at an annual rate based on aggregate average daily assets of the Fund. The Fund also pays BBH an annual fee for certain legal administration services, including corporate secretarial services and preparing regulatory filings.

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

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

BBH has entered into an agreement with State Street Corporation (“State Street”) under which State Street will acquire BBH’s Investor Services business; which includes its custody, fund accounting and administration, transfer agency, depository services, foreign exchange and securities lending services. The completion of the transaction is subject to customary closing conditions and regulatory approvals. During this period, there has been no change to the current control environment and no impact to the execution of control activities.

NOTE C — FUND SHARES

At April 30, 2022, there were 100,000,000 shares of \$0.01 par value capital stock authorized, of which 10,302,067 were issued and outstanding.

For the period ended April 30, 2022, the Fund repurchased 64,741 shares of its common stock, valued at \$1,389,190 from stockholders participating in the repurchases under the Fund’s discount management program.

	<u>For Period Ended April 30, 2022</u>	<u>For Year Ended October 31, 2021</u>
Shares outstanding at beginning of period	10,366,808	10,449,992
Shares repurchased	<u>(64,741)</u>	<u>(83,184)</u>
Shares outstanding at end of period	<u>10,302,067</u>	<u>10,366,808</u>

NOTE D — DISCOUNT MANAGEMENT PROGRAM

On February 6, 2019, the Fund announced that its Board of Directors approved a Discount Management Program (the “Program”) which authorizes management to make open market purchases in an aggregate amount up to 10% of the Fund’s common shares outstanding as of the close of business on October 31 of the prior year. This limit may be increased or decreased by the Board at any time. Under the Program, the Fund will repurchase its common shares in the open market on any trading day that the Fund’s shares are trading above the discount threshold, which is currently 9.5%. On each day that shares are repurchased, the Fund repurchases its shares to the maximum extent permitted by law unless the Board and the Program Manager determine that such repurchase would be detrimental to the Fund and its stockholders. The Program is intended to enhance stockholder value, as repurchases made at a discount may have the effect of increasing the per share NAV of the Fund’s remaining shares. There is no assurance, however, that the market price of the Fund’s shares, either absolutely or relative to NAV, will increase as a result of any share repurchases. These repurchases may be commenced or suspended at any time or from time to time without any notice. Any repurchases will be disclosed in the Fund’s stockholder reports for the relevant fiscal periods.

For the period ended April 30, 2022 the Fund repurchased 64,741 (October 31, 2021: 83,184) of its shares at an average price of \$21.46 (October 31, 2021: \$27.57) per share (including brokerage commissions) at an average discount of 11.15% (October 31, 2021: 11.01%). These repurchases had a total cost of \$1,389,190 (October 31, 2021: \$2,293,503). The Board will continue to review the Program and its effectiveness, and, as appropriate, may make further enhancements as it believes are necessary.

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

NOTE E — INVESTMENT TRANSACTIONS

For the six months ended April 30, 2022, the Fund's cost of purchases and proceeds from sales of investment securities, other than short-term securities, were \$110,550,440 and \$184,898,768, respectively.

NOTE F — INVESTMENTS IN CHINA

The Fund's investments in Chinese 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 Chinese 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 Chinese 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.

In June 2021, the President of the United States issued an Executive Order (the "Order") to prohibit, among other things, any transaction by any U.S. person in publicly traded securities of certain companies determined to be involved with China's surveillance technology sector. The Order, which took effect on August 2, 2021, expands the scope of a previously issued Executive Order that prohibited U.S. persons' transactions in companies determined to be affiliated with China's military. The Order, and any similar future actions by the United States government, may limit the securities in which the Fund may invest, and adversely affect the Fund's performance.

The Chinese government plays a major role in the country's economic policies regarding foreign investments. Foreign investors are subject to the risk of loss from expropriation or nationalization of their investment assets and property, governmental restrictions on foreign investments and the repatriation of capital invested. The Chinese government may intervene or seek to control the operations, structure, or ownership of Chinese companies, including with respect to foreign investors of such companies. For example, the Fund may invest to a significant extent in variable interest entity ("VIE") structures. VIE structures can vary, but generally consist of a U.S.-listed company with contractual arrangements, through one or more wholly-owned special purpose vehicles, with a Chinese company that ultimately provides the U.S.-listed company with contractual rights to exercise control over and obtain economic benefits from the Chinese company. The VIE structure enables foreign investors, such as the Fund, to obtain investment exposure similar to that of an equity owner in a Chinese company in situations in which the Chinese government has restricted or prohibited the ownership of such company by foreign investors. As a result, an investment in a VIE structure subjects the Fund to the risks associated with the underlying Chinese company. Intervention by the Chinese government into the operation or ownership of VIE structures could significantly and adversely affect the Chinese company's performance and thus, the value of the Fund's investment in the VIE, as well as the enforceability of the VIE contractual arrangements with the underlying Chinese company. In the event of such an occurrence, the Fund, as a foreign investor, may have little or no legal recourse. The Fund's investment in a VIE structure is also subject to the risk that the underlying Chinese company (or its officers, directors, or Chinese equity owners) may breach its

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

contractual arrangements with the other entities in the VIE structure, or Chinese law changes in a way that adversely affects the enforceability of these arrangements, or those contracts are otherwise not enforceable under Chinese law, in which case the Fund may suffer significant losses on its VIE investments with little or no recourse available.

NOTE G — FAIR VALUE MEASUREMENT

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

- Level 1 — Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 — Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 — Inputs that are unobservable.

The following is a summary of the inputs used as of April 30, 2022 in valuing the Fund's investments carried at value:

ASSETS VALUATION INPUT

Description*	Level 1	Level 2	Level 3	Total
Common Stock	\$ 12,101,497	\$ 138,807,528	\$ —	\$ 150,909,025
Collateral For Securities On Loan	2,264,846	—	—	2,264,846
Short Term Investments	4,056,483	—	—	4,056,483
TOTAL INVESTMENTS	\$ 18,422,826	\$ 138,807,528	\$ —	\$ 157,230,354

* Please refer to the Schedule of Investments for additional security details.

NOTE H — DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Fund did not enter into any derivatives transactions or hedging activities for the six months ended April 30, 2022.

NOTE I — NEW ACCOUNTING PRONOUNCEMENTS

In December 2020, the SEC adopted a new rule under the 1940 Act that modernizes the regulatory framework for fund valuation practices ("Rule 2a-5"). Rule 2a-5 establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Rule 2a-5 will permit fund boards to designate the fund's investment adviser or, if internally managed, an officer of the fund to perform fair value determinations of any or all of the fund's investments, subject to board oversight and certain other conditions. Rule 2a-5 also defines when market quotations are "readily available" for purposes of the 1940 Act, the threshold for determining whether a fund must fair value a security. In

NOTES TO FINANCIAL STATEMENTS (continued) (unaudited)

connection with Rule 2a-5, the SEC also adopted related recordkeeping requirements and is rescinding previously issued guidance, including with respect to the role of a board in determining fair value and the accounting and auditing of fund investments. The Fund will be required to comply with Rule 2a-5 and the related recordkeeping rule, Rule 31a-4, by September 8, 2022. The Fund and its Board are assessing the potential impact of Rule 2a-5 on the Fund's fair valuation practices and the presentation of its financial statements.

In October 2020, the SEC adopted new rule under the 1940 Act governing the use of derivatives by registered investment companies ("Rule 18f-4"). Rule 18f-4 will impose limits on the amount of derivatives a Fund can enter into, eliminate the asset segregation framework currently used by funds to comply with Section 18 of the 1940 Act, and require funds whose use of derivatives is greater than a limited specified amount (i.e., 10% of its net assets) to establish and maintain a comprehensive derivatives risk management program and appoint a derivatives risk manager. The Fund will be required to comply with Rule 18f-4 by August 19, 2022. The Fund and its Board do not expect Rule 18f-4 to affect the management of the Fund as it currently does not invest in derivatives transactions that would require the Fund to comply with the Rule's conditions.

NOTE J — CORONAVIRUS (COVID-19) PANDEMIC

The ongoing global crisis caused by the COVID-19 pandemic continues to adversely affect consumer demand and economic output, disrupting supply chains and markets, resulting in travel restrictions and quarantines, and adversely impacting local and global economies. While widespread vaccination efforts and signs that the economy is reopening are positive recent events, investors should be aware that in light of the uncertainty currently and with respect to the long-term implications of the COVID-19 pandemic, COVID-19 may continue to adversely affect the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact both the Fund's performance and the performance of the securities in which the Fund invests. Firms through which investors invest with the Fund, the Fund, its service providers, the markets in which the Fund invests and market intermediaries also continue to be affected by quarantines and similar measures intended to contain the ongoing pandemic, which can obstruct their functioning and subject them to heightened operational risks.

THE CHINA FUND, INC.

OTHER INFORMATION (unaudited)

Board Considerations Regarding the Approval of the Continuance of the Investment Advisory and Management Agreement

The Investment Company Act of 1940, as amended (the “1940 Act”), requires that any investment advisory agreement be approved initially, as well as annually after its initial two-year term, by the board of directors, including by a majority of those directors who are not “interested persons,” as defined in the 1940 Act of any party to the investment advisory agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. In connection with their consideration of the approval of such investment advisory agreement, the non-interested or independent directors must request and evaluate such information as may reasonably be necessary to make an informed business judgment with respect to the approval of the investment advisory agreement, and the adviser is required to provide such information.

In considering the approval of the Investment Advisory and Management Agreement between the Fund and Matthews International Capital Management, LLC (“Matthews Asia”) (the “Agreement”), the Board of Directors (the “Board”), all of whom are not interested persons (the “Independent Directors”), took into account all of the materials provided prior to and during the meeting of the Board held on December 2, 2021 (the “Meeting”) which included, among other things, comparative fee and expense data, the presentations made during the Meeting, and the comprehensive discussions had during the Meeting. The Board also requested and received assistance and advice regarding applicable legal standards from counsel to the Fund.

The information prepared specifically for the review of the Agreement supplemented the information provided to the Board throughout the year. The Board met regularly during the year and the information provided and topics discussed at such meetings were relevant to the review of the Agreement. Some of these reports and other data included, among other things, materials that outlined the Fund’s investment performance; compliance, regulatory, and risk management matters; the trading practices of Matthews Asia; fund expenses; and overall market and regulatory developments. The Independent Directors consider the review of the Agreement to be an ongoing process and take into consideration in their review of the Agreement the accumulated information, knowledge, and experience they have gained during their tenure on the Board and working with Matthews Asia.

The conclusions that the Independent Directors reached were based on a comprehensive evaluation of all information provided by Matthews Asia and were not the result of any single factor. Each Independent Director may have afforded different weight to the various factors in reaching his conclusions with respect to the Agreement.

Although the 1940 Act requires that continuance of the Agreement be approved by the in-person vote of a majority of the Independent Directors, the Meeting was held virtually through the internet in view of the health risks associated with holding an in-person meeting during the COVID-19 pandemic. The Meeting was held in reliance on an order issued by the Securities and Exchange Commission on March 13, 2020, as extended on March 25, 2020 and June 19, 2020, which provides registered investment companies temporary relief from the in-person voting requirements of the 1940 Act with respect to the approval of a fund’s advisory agreement in response to the challenges arising in connection with the COVID-19 pandemic.

In evaluating the Agreement, the Board received and considered information, during the Meeting and during the past year, regarding: (i) the nature, extent and quality of services provided to the Fund by the Matthews Asia; (ii)

THE CHINA FUND, INC.

OTHER INFORMATION (continued) (unaudited)

performance of the Fund, fees and expenses incurred by the Fund, and the profitability of Matthews Asia; and (iii) economies of scale. With respect to materials, the Board specifically noted that such materials included information with respect to the fee, comparative fees and expense ratios, performance figures and profitability analysis with respect to the Fund and each service provided by Matthews Asia. The Independent Directors considered brokerage policies and practices, the standards applied in seeking best execution and policies and practices regarding soft dollars.

The Board also based its decision on the extent to which economies of scale would be realized if and as the Fund grows and whether the fee levels in the Agreement reflect these economies of scale. Based on the entire mix of information available to it, and as further discussed below, the Board concluded that the continuance of the Agreement was in the best interests of the Fund and its shareholders and unanimously approved the Agreement for an additional one-year term.

Nature and Quality of Services Provided. In considering the nature and quality of the services provided to the Fund, the Board considered Matthews Asia's specific responsibilities in all aspects of the day-to-day management of the Fund. The Board noted that Matthews Asia's responsibilities include making investment decisions, supervising the acquisition and disposition of investments and supervising the selection of brokers or dealers to execute these transactions in accordance with the Fund's investment objective and policies and within the guidelines and directions established by the Board, quarterly reporting to the Board, and implementing Board directives as they relate to the Fund. The Board considered the qualifications, experience, and responsibilities of the Matthews Asia's investment personnel, the quality of the Matthews Asia's compliance infrastructure, and the determination of the Fund's Chief Compliance Officer that Matthews Asia has appropriate compliance policies and procedures in place. The Board noted that it was provided with the Matthews Asia's registration form on Form ADV, as well as responses to a detailed series of questions, which included a description of its operations, service offerings, personnel, compliance program, risk management program, and financial condition. The Board considered Matthews Asia's experience working with registered investment companies, including the Fund, and the Fund's performance.

Based on the factors discussed above, as well as those discussed below, the Board concluded that it was satisfied with the nature and quality of the services provided to the Fund by Matthews Asia.

Performance, Fees and Expenses of the Fund. The Board received and considered performance information for the Fund. The Board considered the short-term and long-term performance of the Fund on both an absolute basis and in comparison to that of appropriate peer funds and benchmark indices for various time periods. As part of this review, the Board considered the composition of the peer group and selection criteria. In evaluating the performance of the Fund, the Board considered risk expectations for the Fund, the impact of relevant market or regulatory factors, as well as the level of Fund performance in the context of its review of Fund expenses and Matthews Asia's profitability. In addition to the information received by the Board at this Meeting, the Board received detailed performance information for the Fund at each regular Board meeting during the year. The Board concluded that the Fund's overall performance was satisfactory when viewed in the context of its investment style and prevailing market conditions and was consistent with the Fund's investment approach communicated to investors.

The Board considered the fee rate paid by the Fund to Matthews Asia in light of the nature, extent and quality of the services provided to the Fund and in comparison to the management fees of other funds in the Fund's relevant peer

THE CHINA FUND, INC.

OTHER INFORMATION (continued) (unaudited)

group. The Board considered that the Fund's management fee was on the lower end of the range of fees paid by funds in the peer group. The Board considered the depth and range of services provided under the Agreement.

The Board reviewed Matthews Asia's profitability data for the Fund using data as of June 30, 2021. The Board also reviewed the allocation methods used in preparing the profitability data. In considering profitability information, the Board considered the effect of fall-out benefits on Matthews Asia's expenses, such as the increased visibility of Matthews Asia's investment management business due to the availability of the Fund through various broker-dealer platforms as well as the research services acquired by Matthews Asia through soft dollars. The Board focused on profitability of Matthews Asia's relationships with the Fund before taxes and distribution expenses. The Board noted that Matthews Asia's commitment of resources to the Fund resulted in it assuming entrepreneurial and other risks, for which it may reasonably seek to be compensated. The Board concluded that Matthews Asia's profitability was not excessive in light of the nature, extent and quality of services provided to the Fund.

Economies of Scale. The Board considered the potential benefits from economies of scale that the Fund's stockholders could be afforded. The Board considered the breakpoint structure of the advisory fee and noted that because of the level of the Fund's assets, the Fund is able to take advantage of a lower advisory fee. Based on its consideration of this factor and the factors above, the Board determined that there was a reasonable sharing of any realized economies of scale under the Agreement at the present time.

Conclusion. No single factor was determinative of the Board's decision to approve the continuance of the Agreement on behalf of the Fund; rather, the Board based its determination on the total mix of information available to it. Based on a consideration of all the factors in their totality, the Board determined that the Agreement, including the compensation payable thereunder, was fair and reasonable to the Fund. The Board therefore determined that the approval of the continuance of the Agreement was in the best interests of the Fund and its shareholders.

THE CHINA FUND, INC. OTHER INFORMATION (continued) (unaudited)

PRIVACY POLICY

Privacy Notice

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

- Information it receives from stockholders on applications or other forms; and
- Information about stockholder transactions with the Fund.

The Fund's policy is to not disclose nonpublic personal information about its stockholders to nonaffiliated third parties (other than disclosures permitted by law).

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

QUARTERLY PORTFOLIO OF INVESTMENTS

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year as an exhibit to its report on Form N-PORT. The Fund's Form N-PORT reports are available on the SEC's website at <http://www.sec.gov> or on the Fund's website at www.chinafundinc.com or upon request by calling 1-888-246-2255.

PROXY VOTING POLICIES & PROCEDURES

A description of the policies and procedures that the Fund has adopted to determine how to vote proxies relating to portfolio securities and information about how the Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30 is available (i) without charge, upon request, by calling the Fund's stockholder servicing agent at 1-888-246-2255 and on the Securities and Exchange Commission website at www.sec.gov.

CERTIFICATIONS

The Fund's chief executive officer has certified to the New York Stock Exchange that, as of April 22, 2022, she 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.

DIVIDENDS AND DISTRIBUTIONS:
SUMMARY OF DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (unaudited)

The Fund will distribute to stockholders, 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 stockholder will automatically be a participant (a “Participant”) in the Plan unless Computershare Trust Company, N.A., the Plan Agent, is otherwise instructed by the stockholder in writing, to have all distributions, net of any applicable U.S. withholding tax, paid in cash. Stockholders 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. Stockholders who do not wish to have distributions automatically reinvested should notify the Fund by contacting Computershare Trust Company, N.A. c/o The China Fund, Inc. at P.O. Box 505000 Louisville, Kentucky 40233-5000, by telephone at 1-800-426-5523 or via the Internet at www.computershare.com/investor.

Whenever the Directors of the Fund declare a capital gains distribution or an income dividend payable only in shares of the Fund’s common stock (including such a declaration that provides an option to receive cash), Participants will take such distribution or dividend entirely in shares of common stock to be issued by the Fund, and the Plan Agent shall automatically receive such shares of common stock, including fractions, for the Participant’s account.

Whenever a dividend or distribution is declared payable in cash or shares of the Fund’s common stock, the Plan will operate as follows: (i) whenever the market price per share of common stock equals or exceeds the net asset value per share at the time shares of common stock are valued for the purpose of determining the number of shares of common stock equivalent to the dividend or distribution (the “Valuation Date”), Participants will be issued shares of common stock by the Fund valued at net asset value or, if the net asset value is less than 95% of the market price on the Valuation Date, then Participants will be issued shares valued at 95% of the market price; and (ii) whenever the net asset value per share of the common stock on the Valuation Date exceeds the market price of a share of the common stock on the Valuation Date, Participants will receive shares of common stock of the Fund purchased in the open market. The Plan Agent will, as purchasing agent for the Participants, buy shares of common stock in the open market, on the New York Stock Exchange (the “Exchange”) or elsewhere, with the cash in respect of such dividend or distribution for the Participants’ accounts on, or shortly after, the payment date.

If the Fund should declare an income dividend or capital gains distribution payable only in cash, the Plan Agent will, as purchasing agent for the Participants, buy shares of common stock in the open market, on the Exchange or elsewhere, with the cash in respect of such dividend or distribution for the Participants’ accounts on, or shortly after, the payment date.

Participants in the Plan have the option of making additional payments to the Plan Agent annually, in any amount from \$100 to \$3,000 for investment in the Fund’s Common Stock. The Plan Agent 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 January 15 of each year or the next trading day if January 15th is not a trading day. Participants may make voluntary cash payments by sending a check (in U.S. dollars and drawn on a U.S. Bank) made payable to “Computershare” along with a completed transaction form which is attached to each statement a Participant receives. The Plan Agent will not accept cash, traveler’s checks, money orders or third party checks. Any voluntary cash payments received more than thirty-five days prior to such date will be returned by the Plan Agent, and interest will

DIVIDENDS AND DISTRIBUTIONS:

SUMMARY OF DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (continued) (unaudited)

not be paid on any such amounts. The Plan Agent will wait up to three business days after receipt of a check to ensure it receives good funds and will then seek to purchase shares for optional cash investments on the next applicable investment date. 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. In the event that a Participant's check for a voluntary cash payment is returned unpaid for any reason, the Plan Agent will consider the request for investment of such funds null and void, and shall immediately remove from the Participant's account those shares, if any, purchased upon the prior credit of such funds. The Plan Agent shall be entitled to sell shares to satisfy any uncollected amount plus any applicable fees. If the net proceeds of the sale of such shares are insufficient to satisfy the balance of such uncollected amounts, the Plan Agent shall be entitled to sell such additional shares from the Participant's account as may be necessary to satisfy the uncollected balance.

For all purposes of the Plan: (a) the market price of shares of common stock of the Fund on a particular date shall be the last sales price on the Exchange on the close of the previous trading day or, if there is no sale on the Exchange on that date, then the mean between the closing bid and asked quotations for such stock on the Exchange on such date, (b) Valuation Date shall be the dividend or distribution payment date or, if that date is not an Exchange trading day, the next preceding trading day, and (c) net asset value per share of common stock on a particular date shall be as determined by or on behalf of the Fund.

The open-market purchases provided for above may be made on any securities exchange where the shares of common stock of the Fund are traded, in the over-the-counter market or in negotiated transactions, and may be on such terms as to price, delivery and otherwise as the Plan Agent shall determine. In every case the price to the Participant shall be the weighted average purchase price obtained by the Plan Agent's broker, net of fees. Funds held by the Plan Agent will not bear interest. In addition, it is understood that the Plan Agent shall have no liability (other than as provided in the Plan) in connection with any inability to purchase shares of common stock within 30 days after the payment date of any dividend or distribution as herein provided or with the timing of any purchases effected. The Plan Agent shall have no responsibility as to the value of the shares of common stock of the Fund acquired for any Participant's account. Whenever the Plan Agent, as purchasing agent for the Participants, is to buy shares of common stock in the open market, on the Exchange or elsewhere, with the cash in respect of a dividend or distribution, to the extent the Plan Agent is able to do so and, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of the common stock, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the common stock, resulting in the acquisition of fewer shares of common stock than if the income dividend or capital gains distribution had been paid in common stock issued by the Fund. The Plan Agent will apply all cash received as an income dividend or capital gains distribution to purchase shares of common stock on the open market as soon as practicable after the payment date of such dividend or capital gains distributions, but in no event later than 30 days after such date, except where necessary to comply with applicable provisions of the federal securities laws.

The Plan Agent will confirm in writing, each trade for a Participant's account and each share deposit or share transfer promptly after the account activity occurs. The statement will show the number of shares held, the number of shares for which dividends are being reinvested, any cash received for purchase of shares, the price per share for any purchases or sales, and any applicable fees for each transaction charged the Participant. In the event the only activity in a Participant's account is the reinvestment of dividends, this activity will be confirmed in a statement on at least a quarterly basis. If the Fund pays an annual dividend and the only activity in a Participant's account for the calendar

DIVIDENDS AND DISTRIBUTIONS:

SUMMARY OF DIVIDEND REINVESTMENT AND CASH PURCHASE PLAN (continued) (unaudited)

year is the reinvestment of such dividend, the Participant will receive an annual statement. These statements are a Participant's continuing record of the cost basis of purchases and should be retained for income tax purposes.

The Plan Agent will hold shares of common stock acquired pursuant to the Plan in non-certificated form in the name of the Participant for whom such shares are being held and each Participant's proxy will include those shares of common stock held pursuant to the Plan. The Plan Agent will forward to each Participant any proxy solicitation material received by it. In the case of stockholders, such as banks, brokers or nominees, which hold shares for others who are the beneficial owners, the Plan Agent 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 name of such Participants and held for the account of beneficial owners who participate in the Plan. Upon a Participant's Internet, telephone or written request, the Plan Agent will deliver to her or him, without charge, a certificate or certificates representing all full shares of common stock held by the Plan Agent pursuant to the Plan for the benefit of such Participant.

Participants will not be charged a fee in connection with the reinvestment of dividends or capital gains distributions. The Plan Agent's transaction fees for the handling of the reinvestment of dividends and distributions will be paid by the Fund. However, Participants will be charged a per share fee (currently \$0.05) incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends or capital gains distributions and with purchases from voluntary cash payments made by the Participant. A \$2.50 transaction fee and a per share fee of \$0.15 will also be charged by the Plan Agent upon any request for sale. Per share fees include any brokerage commissions the Plan Agent is required to pay.

The automatic reinvestment of dividends and distributions will not relieve participants of any income tax which may be payable on such dividends and distributions. Participants will receive tax information annually for their personal records and to help them prepare their federal income tax return. For further information as to tax consequences of participation in the Plan, Participants should consult with their own tax advisors.

These terms and conditions may be amended or supplemented by the Plan Agent or the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to the Stockholders appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by the Participants unless, prior to the effective date thereof, the Plan Agent receives written notice of the termination of a Participant's account under the Plan. Any such amendment may include an appointment by the Plan Agent in its place and stead of a successor Plan Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Agent under these terms and conditions. Upon any such appointment of a successor Plan Agent for the purposes of receiving dividends and distributions, the Fund will be authorized to pay to such successor Plan Agent, for the Participants' accounts, all dividends and distributions payable on the shares of common stock held in the Participants' name or under the Plan for retention or application by such successor Plan Agent as provided in these terms and conditions.

Requests for copies of the Plan, which sets forth all of the terms of the Plan, and all correspondence concerning the Plan should be directed to Computershare Trust Company, N.A., the Plan Agent for The China Fund, Inc., in writing at P.O. Box 505000 Louisville, Kentucky 40233-5000, by telephone at 1-800-426-5523 or via the Internet at www.computershare.com/investor.

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THE CHINA FUND, INC.

United States Address

The China Fund, Inc.
c/o Brown Brothers Harriman & Co.
Fund Administration, 7th Floor
50 Post Office Square
Boston, MA 02110

Directors and Officers

Julian Reid, Chairman of the Board, Investment Committee, Discount Management Committee and Governance, Nomination & Compensation Committee and Director
Richard Silver, Chairman of the Audit, Valuation and Compliance Committee and Director
George Iwanicki, Director
Yan Hu, Director
Theresa Noriega-Lum, President
Patrick Keniston, Chief Compliance Officer and Secretary
Monique Labbe, Treasurer

Investment Manager

Mathews International Capital Management, LLC

Shareholder Servicing Agent

AST Fund Solutions

Administrator, Accounting Agent and Custodian

Brown Brothers Harriman & Co.

Transfer Agent, Dividend Paying Agent and Registrar

Computershare Trust Company, N.A.

Independent Registered Public Accounting Firm

Tait, Weller & Baker, LLP

Legal Counsel

Morgan, Lewis & Bockius, LLP

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that from time to time the Fund may purchase shares of its common stock in the open market at prevailing market prices.