

THE CHINA FUND

CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2003 (unaudited)

	Half-year ended 30/9/2003 US\$	Half-year ended 30/9/2002 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(loss) for the period	9,065,048	(1,923,052)
Adjustments for:		
Bank interest income	(2,360)	(4,892)
Dividend income	(793,822)	(558,068)
Equalization on repurchase and issue of shares	20,852	3,020
Operating profit/(loss) before working capital changes	8,289,718	(2,482,992)
(Increase)/decrease in listed investments	(7,796,499)	2,738,791
Increase in amounts due from brokers	(155,428)	—
Increase/(decrease) in accounts payable and accrued liabilities	5,837	(10,940)
Increase in amounts due to brokers	126,301	—
Cash generated from operating activities	469,929	244,859
Interest received	2,360	4,892
Dividends received	661,074	576,933
Net cash flows from operating activities	1,133,363	826,684
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(311,225)	(404,251)
Repurchase of shares	(1,140,750)	(359,276)
Proceeds from issue of shares	—	298,384
Net cash flows used in financing activities	(1,451,975)	(465,143)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(318,612)	361,541
Cash and cash equivalents at beginning of period	1,276,178	978,429
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	957,566	1,339,970