

THE CHINA FUND

CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2004

	<i>Notes</i>	2004 US\$	2003 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income/(loss) for the year		21,689,553	(725,341)
Adjustments for:			
Bank interest income		(2,592)	(8,958)
Dividend income		(877,458)	(655,140)
Equalization on repurchase and issue of shares		41,784	26,625
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Operating profit/(loss) before working capital changes		20,851,287	(1,362,814)
(Increase)/decrease in listed investments		(18,038,581)	3,151,972
Increase in amounts due from brokers		(944,551)	(423,149)
Increase in accounts payable and accrued liabilities		13,825	2,454
Increase in amounts due to brokers		1,296,094	168,990
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Cash generated from operating activities		3,178,074	1,537,453
Interest received		2,592	8,958
Dividends received		909,857	707,867
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Net cash flows from operating activities		4,090,523	2,254,278
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CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(311,225)	(404,251)
Repurchase of shares		(1,808,290)	(1,907,459)
Proceeds from issue of shares		—	355,181
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Net cash flows used in financing activities		(2,119,515)	(1,956,529)
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NET INCREASE IN CASH AND CASH EQUIVALENTS		1,971,008	297,749
Cash and cash equivalents at beginning of year	5	1,276,178	978,429
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CASH AND CASH EQUIVALENTS AT END OF YEAR	5	<u>3,247,186</u>	<u>1,276,178</u>