

THE CHINA FUND

CASH FLOW STATEMENT

FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2004 (unaudited)

	Half-year ended 30/9/2004 US\$	Half-year ended 30/9/2003 US\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (loss)/income for the period	(2,691,571)	9,065,048
Adjustments for:		
Bank interest income	(136)	(2,360)
Dividend income	(901,370)	(793,822)
Equalization on repurchase of shares	21,037	20,852
Operating (loss)/profit before working capital changes	(3,572,040)	8,289,718
Decrease/(increase) in listed investments	5,115,189	(7,796,499)
Decrease/(increase) in amounts due from brokers	335,796	(155,428)
Increase in accounts payable and accrued liabilities	45,966	5,837
(Decrease)/increase in amounts due to brokers	(1,465,084)	126,301
Cash generated from operating activities	459,827	469,929
Interest received	136	2,360
Dividends received	814,091	661,074
Net cash flows from operating activities	1,274,054	1,133,363
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(375,233)	(311,225)
Repurchase of shares	(3,290,140)	(1,140,750)
Net cash flows used in financing activities	(3,665,373)	(1,451,975)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,391,319)	(318,612)
Cash and cash equivalents at beginning of period	3,247,186	1,276,178
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	855,867	957,566