

THE CHINA FUND

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2004 (unaudited)

The changes in equity in the current period are as follows:

		Issued capital US\$	Share premium US\$	Capital reserve US\$	Revenue reserve US\$	Total US\$
	<i>Notes</i>					
Balance at 1 April 2004		10,485	6,878,269	10,292,498	22,788,929	39,970,181
Premium on repurchase of shares		(610)	(2,016,143)	–	–	(2,016,753)
Net loss for the period		–	–	–	(2,691,571)	(2,691,571)
Transfer to capital reserve	2(g)	–	–	(2,691,571)	2,691,571	–
Dividends	10	–	–	–	(375,233)	(375,233)
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Balance at 30 September 2004		<u>9,875</u>	<u>4,862,126</u>	<u>7,600,927</u>	<u>22,413,696</u>	<u>34,886,624</u>

The changes in equity in the corresponding prior period are as follows:

		Issued capital US\$	Share premium US\$	Capital reserve US\$	Revenue reserve US\$	Total US\$
Balance at 1 April 2003		11,498	9,896,112	10,292,498	1,410,601	21,610,709
Premium on repurchase of shares		(507)	(1,119,391)	–	–	(1,119,898)
Premium on issue of shares		–	–	–	–	–
Net gain for the period		–	–	–	9,065,048	9,065,048
Dividends		–	–	–	(311,225)	(311,225)
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Balance at 30 September 2003		<u>10,991</u>	<u>8,776,721</u>	<u>10,292,498</u>	<u>10,164,424</u>	<u>29,244,634</u>