

Edgar Filing: CHINA FUND INC - Form 40-17F2

CHINA FUND INC
Form 40-17F2
April 12, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-17f-2

OMB Approval

Certificate of Accounting of Securities and
Similar Investments in the Custody
of Management Investment Companies

OMB Number: 3235-0360
Expires: July 31, 2009
Estimate average burden hours
per response 1.0

Pursuant to Rule 17f-2 [17 CFR 270.17f-2] -----

1. Investment Company Act File Number:

Date examination completed:

811-05749

March 20, 2007

2. State Identification Number:

AL	AK	AZ	AR	CA	CO
CT	DE	DC	FL	GA	HI
ID	IL	IN	IA	KS	KY
LA	ME	MD	MA	MI	MN
MS	MO	MT	NE	NV	NH
NJ	NM	NY	NC	ND	OH
OK	OR	PA	RI	SC	SD
TN	TX	UT	VT	VA	WA
WV	WI	WY	PUERTO RICO		

Other (specify):

3. Exact name of investment company as specified in registration statement:

The China Fund, Inc.

4. Address of principal executive office (number, street, city, state, zip code):

225 Franklin Street, Boston, MA 02110

INSTRUCTIONS

This Form must be completed by investment companies that have custody of securities or similar investments.

INVESTMENT COMPANY

1. All items must be completed by the investment company.
2. Give this Form to the independent public accountant who, in compliance with Rule 17f-2 under the Act and applicable state law, examines securities and similar investments in the custody of the investment company.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
The China Fund, Inc.

We have examined management's assertion, included in the accompanying Management Statement Regarding Compliance With Certain Provisions of the Investment Company Act of 1940, that The China Fund, Inc. (the "Fund") complied with the requirements of subsections (b) and (c) of Rule 17f-2 under the Investment Company Act of 1940 (the "Act") as of August 31, 2005. Management is responsible for the Fund's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Fund's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, as adopted by the Public Company Accounting Oversight Board (United States) and, accordingly, included examining, on a test basis, evidence about the Fund's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. Included among our procedures were the following tests performed as of August 31, 2005, and with respect to agreement of security purchases and sales, for the period from June 30, 2005 (the date of our last examination) through August 31, 2005:

1. Confirmation of all securities held by the Depository Trust Company, Euroclear and Sub-custodians in book entry form;
2. Confirmation of direct investment with the investee;
3. Reconciliation of all such securities to the books and records of the Fund and State Street Corporation ("SSC"), the Fund's fund accountant and custodian; and
4. Agreement of 5 security purchases and 5 security sales or maturities from the books and records of the Fund to trade authorizations provided by SSC.

We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Fund's compliance with specified requirements.

In our opinion, management's assertion that The China Fund, Inc. complied with the requirements of subsections (b) and (c) of Rule 17f-2 of the Investment Company Act of 1940 as of August 31, 2005 with respect to securities reflected in the investment accounts of the Fund is fairly stated, in all material respects.

This report is intended solely for the information and use of management and the Board of Directors of the Fund and the Securities and Exchange Commission and is not intended to be and should not be used by anyone other than these specified parties.

DELOITTE & TOUCHE LLP
Boston, MA

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March 20, 2007

Management Statement Regarding Compliance With Certain Provisions of the
Investment Company Act of 1940

We, as members of management of The China Fund, Inc. (the "Fund"), are responsible for complying with the requirements of subsections (b) and (c) of rule 17f-2, "Custody of Investments by Registered Management Investment Companies," of the Investment Company Act of 1940. We are also responsible for establishing and maintaining effective internal controls over compliance with those requirements. We have performed an evaluation of the Fund's compliance with the requirements of subsections (b) and (c) of rule 17f-2 as of August 31, 2005, and from June 30, 2005 through August 31, 2005.

Based on this evaluation, we assert that the Fund was in compliance with the requirements of subsections (b) and (c) of rule 17f-2 of the Investment Company Act of 1940 as of August 31, 2005, and from June 30, 2005 through August 31, 2005, with respect to securities reflected in the investment accounts of the Fund.

The China Fund, Inc.

By:

Gary French
President

Date: March 20, 2007