
ANNUAL REPORT

December 31, 2010

The **Greater China** Fund, Inc.

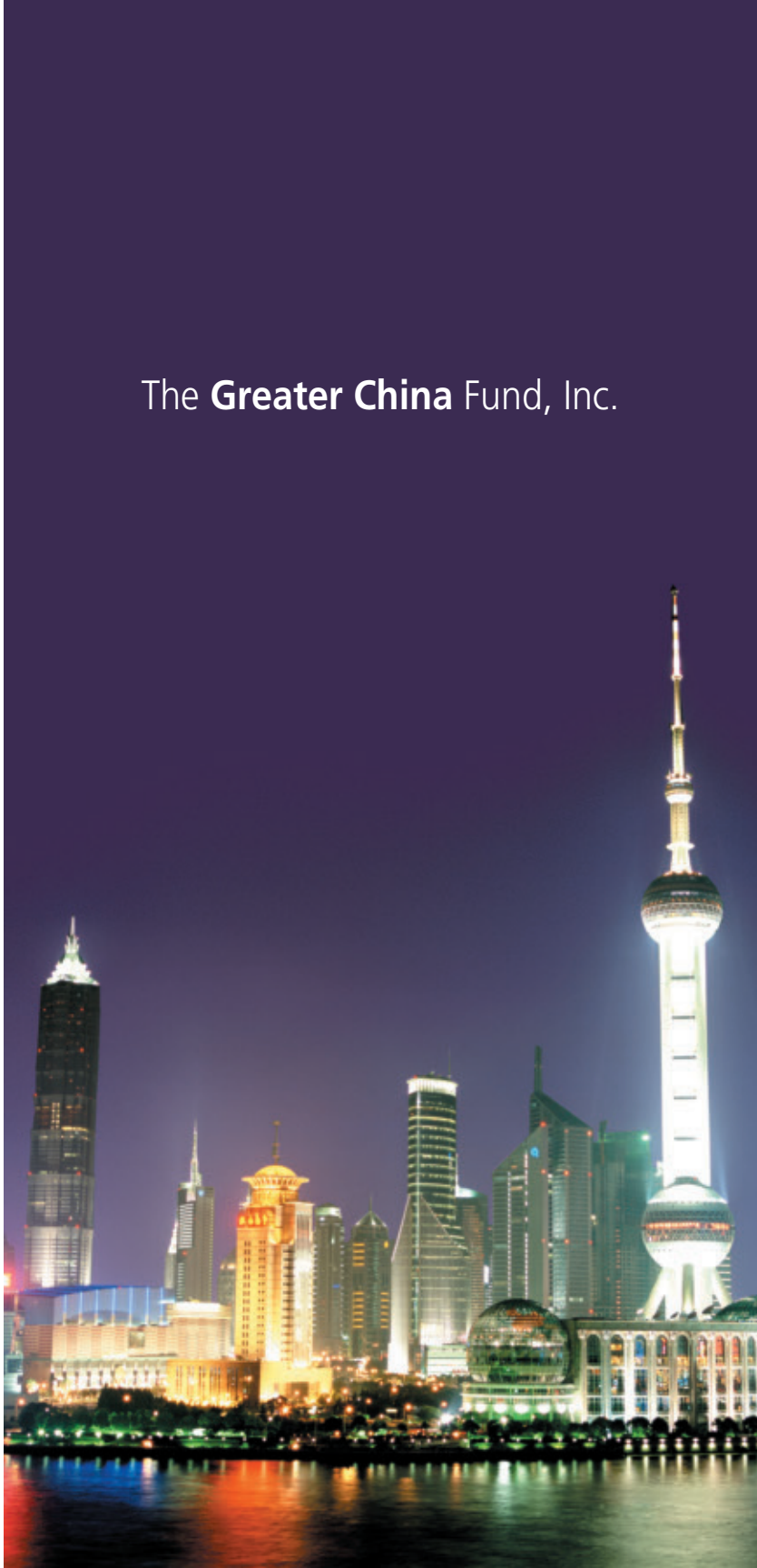


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This report, including the financial statements herein, is sent to the shareholders of The Greater China Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase or sale of shares of the Fund or any securities mentioned in this report.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that from time to time the Fund may purchase at market prices shares of its common stock in the open market.

The Greater China Fund, Inc.
c/o Prudential Investments LLC
Gateway Center Three
100 Mulberry Street
Newark, New Jersey 07102
www.greaterchinafund.com

For shareholder account information call, (800) 331-1710.

Please call (toll-free) the Pristine Advisers, our Investor and Public Relations Firm at 1-(877)-FUND-GCH.

Additional information (including updated net asset value and market price) may be obtained on the Fund's internet site.

The Fund's CUSIP number is 39167B102.



The Fund's Management

Directors

Edward Y. Baker, *Chairman*
John A. Bult
Vincent Duhamel
John A. Hawkins
C. William Maher
Jonathan J.K. Taylor
Tak Lung Tsim

Executive Officers

Brian Corris, *President*
Agnes Deng, *Vice President*
Grace C. Torres, *Treasurer, Principal Financial and Accounting Officer and Vice President*
Deborah A. Docs, *Chief Legal Officer and Secretary*
Andrew R. French, *Assistant Secretary*
Valerie M. Simpson, *Chief Compliance Officer*
Theresa C. Thompson, *Deputy Chief Compliance Officer*
Lana Lomuti, *Assistant Treasurer*
Peter Parrella, *Assistant Treasurer*

Investment Manager

Baring Asset Management (Asia) Ltd.
19th Floor
Edinburgh Tower
15 Queen's Road Central
Hong Kong

Administrator

Prudential Investments LLC
Gateway Center Three
100 Mulberry Street
Newark, New Jersey 07102

Custodian

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One Wall Street
New York, New York 10286

Shareholder Servicing Agent

BNY Mellon Asset Servicing
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Independent Registered Public Accounting Firm

KPMG LLP
345 Park Avenue
New York, New York 10154

Legal Counsel

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004

Letter to Shareholders

February 18, 2011

Dear Shareholders,

In our letter to shareholders last year, we highlighted that *“One only needs to open the newspapers or turn on the TV these days to see the name ‘China’ on the front page”*. We also stated that *“Whether China will save the world, or if it is in a bubble, or if the Renminbi will become the world’s currency is debatable, but one thing is clear: China is becoming an economic force to be reckoned with.”*

As we have observed over the past 12 months, China’s economic, political and investment role has, if anything, become even more important on a global scale. This trend is expected to stay with us for some time to come, particularly because at least three of the largest industrialized nations in the world are likely to continue to face pedestrian growth, caused by de-leveraging in the consumer and government sectors and the re-structuring of their banking sector.

Now let me turn my focus to our Fund, The Greater China Fund, Inc.

The MSCI Zhong Hua Index, expressed in US dollars and in gross terms, rose by 10% in the 2010 calendar year. While this represents a solid total return following a strong +62.1% rise in 2009, both the MSCI US and World Indices performed well in 2010, rising by 15.4% and 13.2%, respectively. While the Chinese economy continued to power ahead, the rise in food and energy prices and the surge in the luxury property market caused the authorities to ‘normalize’ their monetary stance and, the withdrawal of excess liquidity in the banking system in 2010 created uncertainty and led to caution among equity investors in China.

The Net Asset Value of the Fund rose by 3.4% (includes the effect of dividend payment and excludes the dilutive effects of the rights offering) over the year. The Fund’s positioning in cyclical and growth stocks detracted some value. And, as far as the dividend policy of the Fund is concerned, its size principally depends on the amount of realized gains in the Fund’s portfolio and whether there are any tax losses carried forward from previous years. As the Fund has continued to carry forward past tax losses dating to 2008, the Fund did not declare a capital gains dividend with respect to 2010.

Going into the ‘Year of The Rabbit’, which represents alertness and agility in the face of danger, we look forward to a period of continuing strong economic growth in Greater China. However, as global commodity prices continue to rise, its solid growth trend could be marred by rising inflation and tighter monetary policy. Similar to last year, investors will have to balance the upward path of corporate earnings (a positive) and the ‘further normalization’ of the still loose monetary policy (a negative). On balance, we expect that the sound growth fundamentals of China, the world’s leading growth contributor, will continue to attract new funds from global and regional investors in 2011. In addition, the China market as represented by the MSCI China Index, is offering good value relative to the region.

In recognition of the Board’s confidence in the long-term prospects and opportunities within the region a successful rights issue was completed in 2010 at a subscription price of \$11.04 per share. Proceeds from shares issued through the rights offering was \$80.2 million.

We look forward to another solid year of growth in the Chinese economy. The Fund appears to be well positioned with a bias towards growth and cyclical stocks which are likely to reap the rewards of having exposure to the long-term growth and development of a global leader.

Sincerely,

Edward Y. Baker, CFA
Chairman

Annual Report of the Investment Manager

For the year ended December 31, 2010

Overview

Despite superior economic growth prospects, China's equity market has performed below expectations in 2010 largely because of concern over the monetary authorities' policies aimed at cooling the economy. As the year progressed, nervousness that the global economy could be facing a double-dip recession grew. The net effect of this has been that investors have preferred to hold safe-haven assets like US Treasuries and gold at the expense of both equities in general and emerging market equities in particular. While the performance of China's equity market has been below expectations this year, we think it has created some genuinely interesting buying opportunities. We are using periods of market weakness as an opportunity to build positions in attractively valued stocks which we expect to deliver strong earnings growth in future.

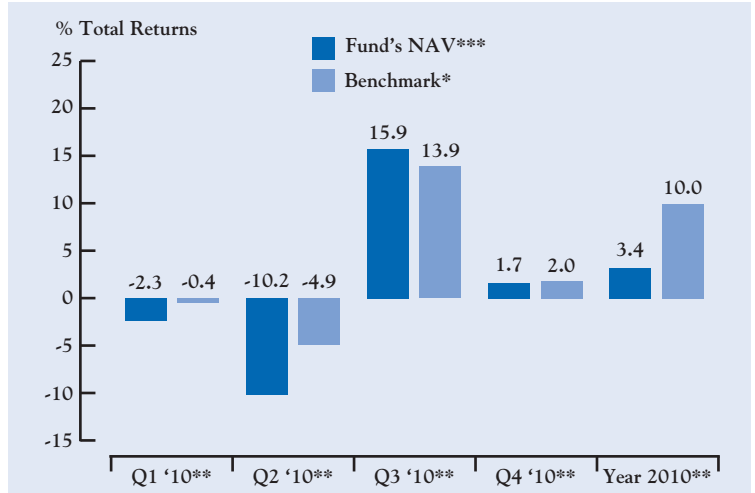
Performance

In net asset value terms, the Fund rose by 3.4% (includes the effect of dividend payment and excludes the dilutive effects of the rights offering) in 2010, underperforming the 10.0% rise in the MSCI Zhong Hua Index. While the more defensive Hong Kong stocks outperformed China stocks significantly in 2010, sector allocation also detracted the Fund's performance. Specifically, selective Materials stocks and the underweight position in the Energy sector contributed negatively. Consumer Discretionary stocks also corrected during the year due to the worry over higher inventory levels in the sector.

Positive contributors to the Fund included an overweight in some Industrials stocks, such as Orient Overseas, Zhuzhou CSR Times Electric and Techtronic Industries, boosted by strong demand and re-stocking activities in the US market. Overweight in ICBC (Asia), SINA Corp. and Brilliance China Automotive also contributed positively. At the same time, we successfully avoided selected Chinese Financials stocks, such as China Life. We favored industrials and our underweight stance in Consumer staples was also beneficial.

The performance of the Fund relative to the benchmark had already stabilized during the second half of the year, along with a stronger Chinese market where most of the negative concerns have been priced in. This was not enough to offset the loss in the first half of 2010, particularly during the second quarter, when some of the Fund's mid-cap China holdings were hit by concerns over macro-tightening and the European sovereign debt crisis. Nevertheless, we maintained our bullish view on China and believe that the current level of market volatility represents a good buying opportunity for long-term investors.

Quarterly NAV Performance

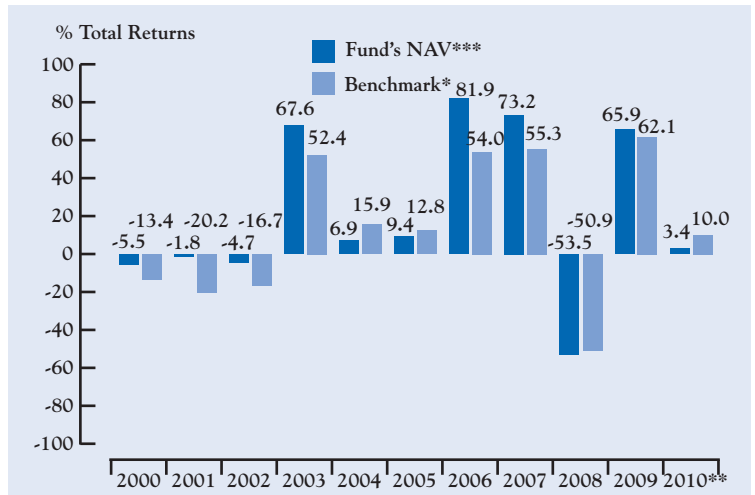


* MSCI China (Free) before 1/6/2000 and MSCI Zhong Hua (Free) after 1/6/2000

** Performance according to Statpro – Q1'10 (%): -1.8; Q2'10 (%): -8.0; Q3'10 (%): 15.4; Q4'10 (%): 2.0; Year 2010 (%): 6.3

*** Includes the effect of dividend payment and excludes the dilutive effects of the rights offering
Source: Baring Asset Management as at 12/31/2010

Calendar Year NAV Performance



* MSCI China (Free) before 1/6/2000 and MSCI Zhong Hua (Free) after 1/6/2000

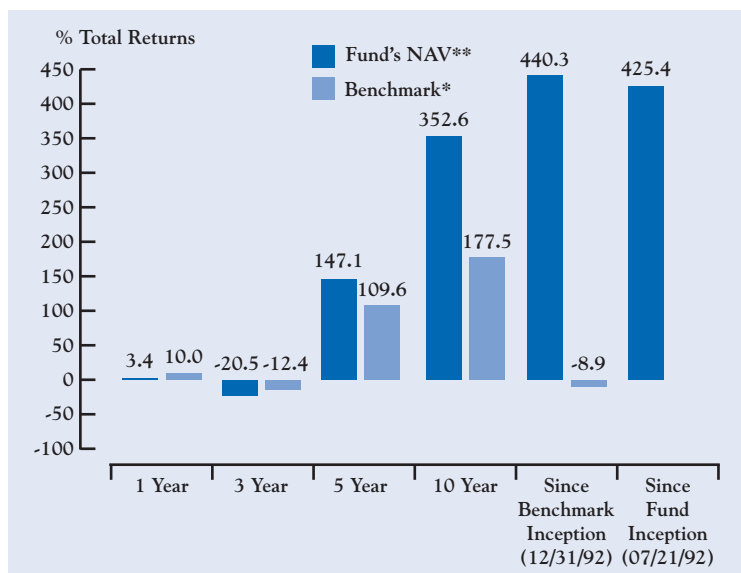
** Performance according to Statpro – 2010 (%): 6.3

*** Includes the effect of dividend payment and excludes the dilutive effects of the rights offering
Source: Baring Asset Management as at 12/31/2010

Annual Report of the Investment Manager

Concluded

Rolling Year Cumulative NAV Performance to December 31, 2010



* MSCI China (Free) before 1/6/2000 and MSCI Zhong Hua (Free) after 1/6/2000

** Includes the effect of dividend payment and excludes the dilutive effects of the rights offering

Source: Baring Asset Management as at 12/31/2010

Economic and Strategy Review

As we head further into 2011, it is clear that the Chinese equity market has failed to make the progress expected by many in 2010. We however hold the view that the economic prospects for China are stronger than currently priced into the market. China is a dynamic economy experiencing active growth and we believe that recent market weakness represents a compelling opportunity for investors to participate in a multi-year growth story at an attractive entry level.

We are encouraged that retail sales and manufacturing output remain strong and given the trends of long-term urbanization and strong domestic demand, we expect these growth drivers to remain firmly in play over the course of the year.

At a corporate level, we believe earnings growth will be the primary driver of share price performance and have positioned the portfolios we manage accordingly. We continue to see strong fundamentals in the consumer sector, underpinned by rising consumer spending and the government's pro-consumption policies. We also like the long-term growth potential of the Chinese healthcare sector and are positive on the prospects for internet and telecoms equipment vendors. On the other side, we are relatively cautious on more defensive areas of the market such as telecoms, utilities and energy, largely due to increasing competition and capped tariffs.

Concerns also persist on a wider macroeconomic level, particularly relating to economic overheating. The authorities have already taken measures to manage credit and liquidity in the domestic economy, raising capital reserve requirements for banks five times over 2010. Meanwhile, Chinese Premier Wen Jiabao has promised tough measures to control inflation, including the possibility of price controls on essential foods.

The lack of clarity regarding the level of monetary tightening we will see is making investors nervous. Despite this, we are confident that China's fundamentals will steady in the coming months. It is important to note that the driving force behind inflation has been a sharp rise in food prices following a poor summer harvest. Non-food inflation is relatively benign and we expect prices to stabilize going into later part of the year with the arrival of the next harvest.

As we head further into 2011, we have conviction that the period of market weakness is now behind us. As such, we believe that our commitment to companies with good growth prospects and strong balance sheets, which are well placed to benefit from rising consumer and infrastructure spending, will continue to reward investors in the Fund over the course of 2011.

Baring Asset Management (Asia) Ltd.

January 2011

This letter is intended to assist shareholders in understanding how the Fund performed during the fiscal year ended December 31, 2010 and reflects the Investment Manager's views at the time of its writing. Of course, these views may change in response to changing circumstances and they do not guarantee the future performance of the markets or the Fund. We encourage you to consult your financial advisor regarding your personal investment program.

Top Ten Equity Holdings (Unaudited)

As of December 31, 2010

	Percentage of Net Assets
China Construction Bank Corp. "H"	6.2%
Industrial & Commercial Bank of China Ltd. "H"	3.6
China Mobile Ltd.	3.6
CNOOC Ltd.	3.0
Sun Hung Kai Properties Ltd.	2.7
Tencent Holdings Ltd.	2.4
Hutchison Whampoa Ltd.	2.3
Cheung Kong (Holdings) Ltd.	2.3
BOC Hong Kong (Holdings) Ltd.	2.2
Kunlun Energy Co. Ltd.	2.2
Total	30.5%

Industry Diversification (Unaudited)

As of December 31, 2010

	Percentage of Net Assets
<hr/>	
EQUITIES	
Consumer Discretionary	12.6%
Consumer Staples	0.8
Energy	5.2
Financials	43.0
Health Care	1.7
Industrials	13.3
Information Technology	10.5
Materials	5.7
Telecommunication Services	4.7
Utilities	<u>1.0</u>
TOTAL EQUITIES	98.5%
SHORT-TERM INVESTMENT	2.6
INVESTMENTS OF CASH COLLATERAL FROM SECURITIES LOANED	<u>4.6</u>
TOTAL INVESTMENTS	105.7%
LIABILITIES, IN EXCESS OF CASH AND OTHER ASSETS	<u>(5.7)</u>
NET ASSETS	<u><u>100.0%</u></u>

Portfolio of Investments

As of December 31, 2010

Shares	Description	Value (Note 1)
	EQUITIES - 98.5%	
	CHINA - 63.5%	
	Consumer Discretionary - 6.6%	
2,568,000	Anta Sports Products Ltd.	\$ 4,076,479
5,964,000	Brilliance China Automotive Holdings Ltd. (2)	4,549,538
7,129,000	China Dongxiang Group Co. Ltd. (1)	3,081,363
8,685,000	Geely Automobile Holdings Ltd.	3,798,602
10,342,000	GOME Electrical Appliances Holdings Ltd. (2)	3,725,097
41,500	New Oriental Education & Technology Group, Inc. (ADR) (2)	4,367,045
5,526,000	Skyworth Digital Holdings Ltd.	3,277,078
2,340,000	Springland International Holdings Ltd. (2)	1,881,356
		<u>28,756,558</u>
	Consumer Staples - 0.8%	
1,117,000	China Yurun Food Group Ltd.	3,671,293
	Energy - 5.2%	
5,508,000	CNOOC Ltd.	13,065,615
6,252,000	Kunlun Energy Co. Ltd.	9,699,320
		<u>22,764,935</u>
	Financials - 26.3%	
2,150,000	Agile Property Holdings Ltd. (1)	3,164,022
9,065,100	Bank of China Ltd. "H"	4,781,140
6,125,000	China CITIC Bank Corp. Ltd. "H"	3,971,108
30,059,780	China Construction Bank Corp. "H"	26,952,161
2,268,000	China Life Insurance Co. Ltd. "H"	9,263,216
3,014,441	China Overseas Land & Investment Ltd. (1)	5,576,230
1,639,600	China Pacific Insurance Group Co. Ltd. "H"	6,812,640
2,494,800	China Taiping Insurance Holdings Co. Ltd. (2)	7,670,235
12,462,000	Glorious Property Holdings Ltd.	4,280,298
21,174,835	Industrial & Commercial Bank of China Ltd. "H"	15,771,522
4,442,000	PICC Property & Casualty Co. Ltd. "H" (2)	6,434,162
381,000	Ping An Insurance (Group) Co. of China Ltd. "H"	4,259,119
3,539,000	Poly (Hong Kong) Investments Ltd. (1)	3,459,945
1,331,500	Shimao Property Holdings Ltd.	2,010,871
11,714,000	Sunac China Holdings Ltd. (2)	4,189,142
4,188,000	Yanlord Land Group Ltd.	5,492,245
		<u>114,088,056</u>
	Health Care - 0.5%	
4,238,000	Trauson Holdings Co. Ltd. (2)	1,989,889
	Industrials - 7.2%	
1,290,000	China Merchants Holdings International Co. Ltd.	5,094,518
3,555,000	China National Materials Co. Ltd. "H"	2,867,360
2,334,000	China Shipping Development Co. Ltd. "H"	3,110,539

See Notes to Financial Statements.

The Greater China Fund, Inc.

Shares	Description	Value (Note 1)
Industrials - continued		
2,501,000	CSR Corp. Ltd. "H"	\$ 3,288,059
2,418,500	International Mining Machinery Holdings Ltd. (2)	1,956,914
3,454,000	Sany Heavy Equipment International Holdings Co. Ltd. (1)	5,091,925
11,618,000	Tianjin Port Development Holdings Ltd.	2,749,946
1,873,000	Xinjiang Goldwind Science & Technology Co. Ltd. "H" (2)	3,879,169
773,000	Zhuzhou CSR Times Electric Co. Ltd. "H"	3,037,846
		31,076,276
Information Technology - 6.7%		
741,000	Digital China Holdings Ltd.	1,385,982
4,882,000	Kingdee International Software Group Co. Ltd. (1)	2,738,163
14,710,000	Lenovo Group Ltd. (1)	9,423,604
77,800	SINA Corp. (2)	5,354,196
478,000	Tencent Holdings Ltd.	10,385,623
		29,287,568
Materials - 4.5%		
574,000	Anhui Conch Cement Co. Ltd. "H"	2,691,438
4,296,600	China Metal Recycling Holdings Ltd. (1)	4,488,032
7,290,000	China Resources Cement Holdings Ltd. (1) (2)	5,532,922
3,437,000	CPMC Holdings Ltd.	2,347,735
4,442,000	SINOPEC Shanghai Petrochemical Co. Ltd. "H"	2,302,813
2,584,000	Zijin Mining Group Co. Ltd. "H"	2,396,640
		19,759,580
Telecommunication Services - 4.7%		
1,569,500	China Mobile Ltd.	15,586,681
8,984,000	China Telecom Corp. Ltd. "H"	4,703,695
		20,290,376
Utilities - 1.0%		
2,958,000	China Resources Gas Group Ltd.	4,208,510
	Total China	275,893,041
HONG KONG - 30.7%		
Consumer Discretionary - 6.0%		
2,381,000	Dah Chong Hong Holdings Ltd.	2,526,902
333,825	Esprit Holdings Ltd.	1,588,896
1,124,000	Li & Fung Ltd.	6,521,055
2,269,500	Lifestyle International Holdings Ltd.	5,587,881
5,838,500	Techtronic Industries Co. Ltd. (1)	7,615,778
608,500	Yue Yuen Industrial (Holdings) Ltd.	2,187,849
		26,028,361

See Notes to Financial Statements.

Portfolio of Investments

Concluded

Shares	Description	Value (Note 1)
	Financials - 16.7%	
510,000	Bank of East Asia Ltd.	\$ 2,135,483
2,863,000	BOC Hong Kong (Holdings) Ltd.	9,741,415
651,000	Cheung Kong (Holdings) Ltd.	10,040,959
323,500	Hang Seng Bank Ltd.	5,318,390
380,500	Hong Kong Exchanges & Clearing Ltd.	8,629,428
927,000	Hysan Development Co. Ltd.	4,364,513
1,392,000	Link REIT	4,324,455
1,355,000	New World Development Co. Ltd.	2,544,879
2,250,000	Sino Land Co. Ltd.	4,208,448
708,000	Sun Hung Kai Properties Ltd.	11,758,029
369,500	Swire Pacific Ltd.	6,074,637
432,000	Wharf Holdings Ltd. (The)	3,323,227
		<u>72,463,863</u>
	Health Care - 1.2%	
14,568,000	Sino Biopharmaceutical Ltd.	5,415,927
	Industrials - 5.5%	
979,000	Hutchison Whampoa Ltd.	10,075,061
1,888,000	MTR Corp. Ltd.	6,873,271
711,500	Orient Overseas International Ltd.	6,901,147
		<u>23,849,479</u>
	Information Technology - 1.3%	
4,995,099	Comba Telecom Systems Holdings Ltd. (1)	5,641,747
	Total Hong Kong	<u>133,399,377</u>
	TAIWAN - 4.3%	
	Industrials - 0.6%	
1,604,411	Far Eastern New Century Corp.	2,718,361
	Information Technology - 2.5%	
546,000	Delta Electronics Inc.	2,668,530
670,000	Epistar Corp.	2,447,310
928,122	Synnex Technology International Corp.	2,505,212
131,000	TPK Holding Co. Ltd. (2)	3,010,306
		<u>10,631,358</u>
	Materials - 1.2%	
848,000	Formosa Plastics Corp.	2,835,731
617,000	Taiwan Fertilizer Co. Ltd.	2,306,621
		<u>5,142,352</u>
	Total Taiwan	<u>18,492,071</u>
	Total Equities (cost \$361,674,855)	<u>427,784,489</u>

See Notes to Financial Statements.

The Greater China Fund, Inc.

Shares	Description	Value (Note 1)
	SHORT-TERM INVESTMENT - 2.6%	
	Money Market Fund (3) - 2.6%	
11,084,705	JPMorgan Prime Money Market Fund, 0.01% (cost \$11,084,705)	<u>\$ 11,084,705</u>
	INVESTMENTS OF CASH COLLATERAL FROM SECURITIES LOANED - 4.6%	
	Money Market Fund (3) - 4.6%	
20,191,537	State Street Navigator Securities Lending Prime, 0.36% (cost \$20,191,537)	<u>20,191,537</u>
	Total Investments (cost \$392,951,097) - 105.7%	<u>459,060,731</u>
	Liabilities, in excess of cash and other assets - (5.7%)	<u>(24,909,404)</u>
	Net Assets - 100.0%	<u><u>\$434,151,327</u></u>

The following abbreviation is used in the portfolio descriptions:

ADR - American Depositary Receipt

- (1) All or a portion of the security is on loan. The aggregate market value of such securities, including those sold and pending settlement, is \$18,640,899; cash collateral of \$20,191,537 (included in liabilities) was received with which the Fund purchased highly liquid short-term investments.
- (2) Non-income producing security.
- (3) Rates shown reflect yield at December 31, 2010.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below.

Level 1 – quoted prices generally for stocks, exchange traded funds, options and futures traded in active markets for identical securities, and mutual funds with which traded at daily net asset value.

Level 2 – other significant observable inputs (including, but not limited to, quoted prices for similar securities, interest rates, prepayment speeds, foreign currency exchange rates, and amortized cost) generally for debt securities, swaps, forward foreign currency contracts and for foreign stocks priced using vendor modeling tools.

Level 3 – significant unobservable inputs for securities valued in accordance with Board approved fair valuation procedures.

The following is a summary of the inputs used as of December 31, 2010 in valuing such portfolio securities:

<u>Investments in Securities</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equities			
China	\$275,893,041	\$ –	\$ –
Hong Kong	133,399,377	–	–
Taiwan	18,492,071	–	–
Money Market Funds	<u>31,276,242</u>	<u>–</u>	<u>–</u>
Total	<u><u>\$459,060,731</u></u>	<u><u>\$ –</u></u>	<u><u>\$ –</u></u>

See Notes to Financial Statements.

Statement of Assets and Liabilities

December 31, 2010

Assets

Investments, at value (cost \$372,759,560)*	\$438,869,194
Investments of cash collateral from securities loaned (cost \$20,191,537)	20,191,537
Receivable for securities sold	2,118,359
Foreign currency (cost \$11,060)	11,247
Dividends and interest receivable	150,378
Prepaid assets	94,923
Total assets	<u>461,435,638</u>

Liabilities

Payable for cash collateral for securities loaned	20,191,537
Payable for securities purchased	6,265,131
Investment management fee payable	424,808
Accrued expenses	223,799
Professional services	104,691
Administration fee payable	74,345
Total liabilities	<u>27,284,311</u>

Net Assets \$434,151,327

Composition of Net Assets

Common stock, \$0.001 par value; 30,369,219 shares issued and outstanding (100,000,000 shares authorized)	\$ 30,369
Paid-in capital in excess of par	376,154,613
	<u>376,184,982</u>
Undistributed net investment income	896,979
Accumulated net realized loss on investment and foreign currency transactions	(9,035,966)
Net unrealized appreciation of investments and other assets and liabilities denominated in foreign currencies	66,105,332
Net Assets	<u>\$434,151,327</u>
Shares Outstanding	<u>30,369,219</u>

Net Asset Value Per Share \$14.30

* Includes \$18,640,899 of investments in securities on loan, at value.

Statement of Operations

For the Year Ended December 31, 2010

Investment Income

Dividends (net of foreign withholding taxes of \$416,240)	\$ 7,932,871
Securities lending income, net	235,619
Total investment income	<u>8,168,490</u>

Expenses

Investment management fees	4,426,704
Administration fees	759,562
Directors' fees and expenses	564,000
Custodian and accounting fees	485,000
Professional services	424,000
Insurance expense	166,800
Reports and notices to shareholders	100,000
New York Stock Exchange listing fee	25,000
Transfer agent fees and expenses	6,000
Miscellaneous expenses	66,138
Total expenses	<u>7,023,204</u>
Net investment income	<u>1,145,286</u>

Realized and Unrealized Gain (Loss) on Investment and Foreign Currency Transactions

Net realized gain on:	
Investment transactions	41,542,764
Foreign currency transactions	10,196
	<u>41,552,960</u>
Net change in unrealized appreciation (depreciation) of:	
Investments	(22,305,658)
Foreign currencies	(8,101)
	<u>(22,313,759)</u>
Net realized and unrealized gain (loss) on investment and foreign currency transactions	<u>19,239,201</u>
Net Increase in Net Assets from Investment Operations	<u><u>\$ 20,384,487</u></u>

Statement of Changes in Net Assets

	For the Year Ended December 31, 2010	For the Year Ended December 31, 2009
Increase (Decrease) from Investment Operations		
Net investment income	\$ 1,145,286	\$ 501,763
Net realized gain (loss) on:		
Investment transactions	41,542,764	(13,923,483)
Foreign currency transactions	10,196	(16,926)
	<u>41,552,960</u>	<u>(13,940,409)</u>
Net change in unrealized appreciation (depreciation) of:		
Investments	(22,305,658)	146,745,637
Foreign currencies	(8,101)	(3,202)
	<u>(22,313,759)</u>	<u>146,742,435</u>
Total increase from investment operations	<u>20,384,487</u>	<u>133,303,789</u>
Dividends and Distributions to Shareholders from:		
Dividends paid from net investment income and net realized gain from foreign currency transactions	(425,169)	(1,866,785)
Distributions paid from net realized gain on investments	—	—
Total dividends and distributions to shareholders	<u>(425,169)</u>	<u>(1,866,785)</u>
Common Stock Transactions		
Proceeds from shares issued through rights offering (net of offering costs) (Notes 7 and 8)	80,245,102	—
Net increase in net assets from capital stock transactions	<u>80,245,102</u>	<u>—</u>
Net increase in net assets	100,204,420	131,437,004
Net Assets		
Beginning of year	<u>333,946,907</u>	<u>202,509,903</u>
End of year (including undistributed net investment income of \$896,979 and \$420,917, respectively)	<u>\$434,151,327</u>	<u>\$333,946,907</u>

See Notes to Financial Statements.

Notes to Financial Statements

Note 1. Organization and Significant Accounting Policies

The Greater China Fund, Inc. (the “Fund”) was incorporated in Maryland on May 11, 1992, as a non-diversified, closed-end management investment company. The Fund’s investment objective is to seek long-term capital appreciation by investing substantially all of its assets in listed equity securities of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold or investments made or services performed in China. Investment operations commenced on July 23, 1992.

In the normal course of business, the Fund may enter into contracts that contain a variety of representations or that provide general indemnification for certain liabilities. The Fund’s maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. However, the Fund has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires the Fund’s management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund:

Valuation of Investments

Securities listed on a securities exchange are valued at the last sale price on such exchange on the day of valuation or, if there was no sale on such day, at the mean between the last reported bid and ask prices, or at the last bid price on such day in the absence of an asked price. Securities traded via NASDAQ are valued at the NASDAQ official closing price (“NOCP”) on the day of valuation, or if there was no NOCP, at the last sale price. Securities that are actively traded in the over-the-counter market, including listed securities for which the primary market is believed by Baring Asset Management (Asia) Ltd. to be over-the-counter, are valued at market value using prices provided by an independent pricing agent or principal market maker. Securities for which reliable market quotations are not readily available, or whose values have been affected by events occurring after the close of the security’s foreign market and before the Fund’s normal pricing time, are valued at fair value in accordance with the Board of Directors’ approved fair valuation procedures. When determining the fair value of securities, some of the factors influencing the valuation include the nature of any restrictions on disposition of the securities; assessment of the general liquidity of the securities; the issuer’s financial condition and the markets in which it does business; the cost of the investment; the size of the holding and the capitalization of the issuer; the prices of any recent transactions or bids/offers for such securities or any comparable securities; any available analyst media or other reports or information deemed reliable by the Investment Manager regarding the issuer or the markets or industry in which it operates. Using fair value to price securities may result in a value that is different from a security’s most recent closing

Notes to Financial Statements

Continued

price and from the price used by other mutual funds to calculate their net asset values.

Short-term debt securities of sufficient credit quality, which mature in more than sixty days are valued at fair value. Short-term debt securities which mature in sixty days or less are valued at amortized cost, which approximates fair value.

Investments in open end, non exchange-traded mutual funds are valued at their net asset value as of the close of the New York Stock Exchange ("NYSE") on the date of valuation.

Foreign currency exchange rates are generally determined prior to the close of the NYSE. Occasionally, events affecting the value of foreign investments and such exchange rates occur between the time at which they are determined and the close of the NYSE, which will not be reflected in the computation of the Fund's net asset value. If events materially affecting the value of such securities or currency exchange rates occur during such time periods, the securities will be valued at their fair value as determined in good faith by or under the direction of the Board of Directors.

Investment Transactions and Investment Income

Investment transactions are recorded on the trade date. Realized gains and losses from investment and foreign currency transactions are calculated using the identified cost method. Dividend income is recorded on the ex-dividend date. Interest income and expenses are recorded on an accrual basis. Expenses are recorded on the accrual basis which may require the use of certain estimates by management. Actual results could differ from such estimates.

Foreign Currency Translation

The books and records of the Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars using WM/Reuters closing spot rates as of 4:00 p.m. London time on the following basis:

- (i) the foreign currency market value of investments and other assets and liabilities denominated in foreign currency are translated at the closing rate of exchange on the valuation date; and
- (ii) purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions.

The resulting net foreign currency gain or loss is included in the Statement of Operations.

The Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of long-term portfolio securities held at period end. Similarly, the Fund does not isolate the effect of changes in foreign exchange rates from the fluctuations arising from changes in the market prices of long-term portfolio securities sold during the period.

Accordingly, realized foreign currency gains or losses are included in the reported net realized gains or losses on investment transactions.

Net realized gains or losses on foreign currency transactions represent net foreign exchange gains or losses from holdings of foreign currencies, currency gains or losses realized between the trade and settlement dates of security transactions, and the difference between the amounts of dividends, interest and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains or losses from valuing foreign currency denominated assets and liabilities (other than investments) at period-end exchange rates are reflected as a component of unrealized appreciation (depreciation) on foreign currencies. Net realized foreign currency gains or losses is treated as ordinary incomes losses for income tax reporting purposes.

Dividends and Distributions

Dividends and distributions to shareholders are recorded on the ex-dividend date. The amounts of dividends and distributions from net investment income and net realized gains are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles. These "book/tax" differences are considered either temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax-basis treatment; temporary differences do not require reclassification.

Tax

It is the Fund's intention to continue to meet the requirements of the U.S. Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income and gain to shareholders. Therefore, no federal income tax provision is required.

Withholding taxes on foreign dividends, interest and capital gains is accrued in accordance with the applicable jurisdiction's tax rules and rates, which generally range between 0-20% of such income amounts.

Note 2. Concentration of Risk

The Fund may have elements of risk, not typically associated with investments in the United States, due to concentrated investments in specific industries or investments in foreign issuers located in a specific country or region. Such concentrations may subject the Fund to additional risks resulting from future political or economic conditions in such country or region and the possible imposition of adverse governmental laws or currency exchange restrictions affecting such country or region, which could cause the securities and their markets to be less liquid and prices more volatile than those of comparable United States companies.

Notes to Financial Statements

Continued

Note 3. Investment Management and Administration Agreements

The Fund has an investment management agreement (the “Investment Management Agreement”) with Baring Asset Management (Asia) Ltd. (the “Investment Manager”), an indirect wholly-owned subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”). MassMutual is a diversified financial services business. Under the terms of the Investment Management Agreement, the Investment Manager manages the Fund’s investments in accordance with the Fund’s investment objectives, policies and restrictions, and makes investment decisions on behalf of the Fund, including the selection of and the placing of orders with broker-dealers to execute portfolio transactions on behalf of the Fund. As compensation for its services, the Investment Manager receives a monthly fee, computed weekly, at an annual rate of 1.25% of the Fund’s average weekly net assets up to \$250 million and 1.00% of such net assets in excess of \$250 million. Effective January 1, 2011, the Investment Manager will receive a monthly fee, computed weekly, at an annual rate of 1.15% of the Fund’s average weekly net assets up to \$250 million and 0.75% of such net assets in excess of \$250 million.

Prudential Investments LLC (the “Administrator”), has an administration agreement (the “Administration Agreement”) with the Fund. Under the terms of the Administration Agreement, the Administrator provides certain administrative services to the Fund. As compensation for its services, the Administrator receives a monthly fee, computed weekly, at an annual rate of 0.20% of the Fund’s average weekly net assets.

The Board of Directors has appointed an employee of the Administrator to serve as Chief Compliance Officer of the Fund to perform duties required in accordance with the requirements of Rule 38a-1 of the Investment Company Act.

Note 4. Securities Lending

The Fund may lend up to 27.5% of its total assets to qualified broker-dealers or institutional investors. Under the terms of the securities lending agreement, the securities on loan are secured at all times by cash, cash equivalents or U.S. government securities in an amount at least equal to 105% of the market value of the foreign securities on loan, which are marked-to-market daily. The Fund will retain record ownership of loaned securities to exercise certain beneficial rights; however, the Fund may bear the risk of delay in recovery of, or even loss of rights in, the securities loaned should the borrower fail financially. The Fund receives compensation for lending its securities from interest or dividends earned on the cash, cash equivalents and U.S. government securities held as collateral, net of fee rebates paid to the borrower plus reasonable administrative and custody fees. The Fund’s lending agent is State Street Bank & Trust Company.

For the year ended December 31, 2010, the Fund earned \$235,619 due to securities lending. State Street Bank & Trust Company earned \$78,560 in compensation as the Fund's lending agent.

Note 5. Purchases and Sales of Securities

For the year ended December 31, 2010, aggregate purchases and sales of portfolio securities, excluding short-term securities, were \$329,501,594 and \$250,309,721, respectively.

Note 6. Distributions and Tax Information

Distributions to shareholders are determined in accordance with United States federal income tax regulations, which may differ from generally accepted accounting principles. In order to present undistributed net investment income, accumulated net realized loss on investment and foreign currency transactions and paid-in capital in excess of par on the Statement of Assets and Liabilities that more closely represent their tax character, certain adjustments have been made to undistributed net investment income, accumulated net realized loss on investment and foreign currency transactions and paid-in capital in excess of par. For the year ended December 31, 2010, the adjustments were to decrease undistributed net investment income by \$244,055, increase accumulated net realized loss on investment and foreign currency transactions by \$141,404 and increase paid-in capital in excess of par by \$385,459 due to differences in the treatment for book and tax purposes of certain transactions involving foreign securities and currencies and passive foreign investment companies. Net investment income, net realized gain on investment and foreign currency transactions and net assets were not affected by this change.

For the year ended December 31, 2010 and December 31, 2009, the tax character of dividends paid by the Fund were \$425,169 and \$1,866,785 of ordinary income, respectively.

As of December 31, 2010, the accumulated undistributed earnings on a tax basis was \$1,334,607 of ordinary income.

As of December 31, 2010, the Fund had a capital loss carryforward for tax purposes of approximately \$3,794,000 which expires in 2017. The Fund utilized approximately \$39,786,000 of its capital loss carryforward to offset net taxable gains realized in the year ended December 31, 2010. No capital gains distribution is expected to be paid to shareholders until net gains have been realized in excess of such carryforward.

The Fund incurred currency losses from November 1, 2010 to December 31, 2010 of approximately \$10,100, which it will defer in the current fiscal year and recognize in the fiscal year ending December 31, 2011.

Notes to Financial Statements

Concluded

The United States federal income tax basis of the Fund's investments and the net unrealized appreciation on a tax basis as of December 31, 2010 were as follows:

<u>Tax Basis</u>	<u>Appreciation</u>	<u>Depreciation</u>	<u>Net Unrealized Appreciation</u>
\$398,620,162	\$71,066,735	\$(10,626,166)	\$60,440,569

The difference between book basis and tax basis is attributable to deferred losses on wash sales and passive foreign investment companies.

The adjusted net unrealized appreciation on a tax basis was \$60,436,267 which included other tax basis adjustments of \$4,302 that were primarily attributable to appreciation of foreign currency and mark-to-market of receivables and payables.

Management has analyzed the Fund's tax positions taken on federal income tax returns for all open tax years and has concluded that as of December 31, 2010, no provision for income tax would be required in the Fund's financial statements. The Fund's federal and state income and federal excise tax returns for tax years for which the applicable statutes of limitations have not expired are subject to examination by the Internal Revenue Service and state departments of revenue.

The Regulated Investment Company Modernization Act of 2010 (the "Act") was enacted on December 22, 2010. The Act makes changes to several tax rules impacting the Funds. In general, the provisions of the Act will be effective for the Funds' fiscal year ending December 31, 2011. Relevant information regarding the impact of the Act on the Fund will be contained within the "Tax" section of the Funds' fiscal year ending December 31, 2011 financial statement notes.

Note 7. Rights Offering

During the year ended December 31, 2010, the Fund issued 7,603,554 shares in connection with a rights offering of the Fund's common stock of which 199,569, 429,554 and 356,317 shares were issued prior to the expiration at \$11.12, \$11.19 and \$11.67, respectively. The remaining 6,618,114 shares were issued at the subscription price of \$11.04. Shareholders of record on March 23, 2010, were issued one transferable right for each share of common stock owned, entitling shareholders the opportunity to acquire one newly issued share of common stock for every three rights held. The rights offering commenced on March 23, 2010 and expired on April 16, 2010. The subscription price of \$11.04 per share was determined by 90% of the average of the last reported sale prices of a share of common stock on the NYSE on the expiration date and the four preceding trading days. Estimated offering costs include commissions paid to the dealer manager of \$2,953,888 and other offering costs of \$1,055,000.

Note 8. Capital Stock

There are 100,000,000 shares of \$0.001 par value capital stock authorized. For the year ended December 31, 2010, the Fund issued 7,603,554 shares in connection with the Fund's rights offering. For the year ended December 31, 2009, there were no transactions by the Fund in shares of its common stock.

Financial Highlights

	For the Year Ended December 31, <u>2010</u>
Per Share Operating Performance:	
Net asset value, beginning of year	\$ 14.67
Increase From Investment Operations	
Net investment income	0.04*
Net realized and unrealized gain (loss) on investment and foreign currency transactions	<u>0.53</u>
Total from investment operations	<u>0.57</u>
Dividends and Distributions to Shareholders	
Dividends from net investment income and net realized gain from foreign currency transactions	(0.01)
Distributions from net realized gain	<u>-</u>
	<u>(0.01)</u>
Fund Share Transactions	
Dilutive effect resulting from issuance of shares in stock dividend	-
Dilutive effect of rights offering	(0.80)
Offering costs charged to paid-in capital in excess of par	<u>(0.13)</u>
Total of share transactions	<u>(0.93)</u>
Net asset value, end of year	<u>\$ 14.30</u>
Market value, end of year	<u>\$ 13.15</u>
Total Investment Return (1)	<u>(5.41)%</u>
Ratios/Supplemental Data	
Net assets, end of year (000's omitted)	\$434,151
Ratio of expenses to average net assets	1.85%
Ratio of net investment income to average net assets	0.30%
Portfolio turnover	68%

* Based on average shares outstanding.

** Amount represents less than \$0.005 per share.

(1) Total investment return is calculated assuming a purchase of common stock at the current market price on the first day of each year reported and a sale at the current market price on the last day of each period reported, and assuming reinvestment of dividends and other distributions at prices obtained under the Fund's Dividend Reinvestment Plan. Total investment return does not reflect brokerage commissions or the deduction of taxes that a shareholder would pay on Fund distributions or redemption of Fund shares.

The Greater China Fund, Inc.

For the Years Ended December 31,			
<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 8.90	\$ 28.91	\$ 24.50	\$ 14.93
0.02	0.15*	-**	0.13
<u>5.83</u>	<u>(13.45)</u>	<u>17.55</u>	<u>12.09</u>
<u>5.85</u>	<u>(13.30)</u>	<u>17.55</u>	<u>12.22</u>
(0.08)	-	(0.03)	(0.45)
<u>-</u>	<u>(6.66)</u>	<u>(13.11)</u>	<u>(2.20)</u>
<u>(0.08)</u>	<u>(6.66)</u>	<u>(13.14)</u>	<u>(2.65)</u>
-	(0.05)	-	-
-	-	-	-
-	(0.05)	-	-**
<u>-</u>	<u>(0.05)</u>	<u>-</u>	<u>-</u>
<u>\$ 14.67</u>	<u>\$ 8.90</u>	<u>\$ 28.91</u>	<u>\$ 24.50</u>
<u>\$ 13.92</u>	<u>\$ 8.32</u>	<u>\$ 24.81</u>	<u>\$ 31.48</u>
<u>68.40%</u>	<u>(49.56)%</u>	<u>20.59%</u>	<u>168.90%</u>
\$333,947	\$202,510	\$486,483	\$411,539
1.96%	2.01%	1.62%	1.86%
0.19%	0.93%	0.01%	0.66%
105%	133%	85%	114%

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
The Greater China Fund, Inc.:

We have audited the accompanying statement of assets and liabilities of The Greater China Fund, Inc. (hereafter referred to as the “Fund”), including the portfolio of investments, as of December 31, 2010, and the related statement of operations for the year then ended, and the statement of changes in net assets for each of the years in the two-year period then ended and the financial highlights for each of the years in the four-year period then ended. These financial statements and financial highlights are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audit. The financial highlights for the year ended December 31, 2006 were audited by another independent registered public accounting firm, whose report dated February 20, 2007, expressed an unqualified opinion thereon.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2010, by correspondence with the custodian, transfer agent and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of The Greater China Fund, Inc. as of December 31, 2010, and the results of its operations, the statement of changes in net assets and financial highlights for the periods described in the first paragraph above, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

New York, New York
February 22, 2011

Supplemental Information (Unaudited)

Board of Directors

The Fund is governed by a Board of Directors each of whom serves for a three year term, and may be re-elected to additional terms. The table below shows, for each Director or Officer, his name and age, the position held with the Fund, the length of time served as a Director or Officer of the Fund, the Director's or Officer's principal occupations during the last five years, and other directorships held by such Director.

Non-Interested Directors

Name, address (age)	Position(s) Held with the Fund; Length of Time Served	Principal Occupation(s) and Other Directorships Held During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director**
Edward Y. Baker (76) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Chairman of Board and Director since 1992	Investment Consultant; Chairman, Board of Trustees, Rogers Sugar Income Fund (through January 2010); previously President and Chief Executive Officer, HOOPP Investment Management Limited and Chief Investment Officer, Hospitals of Ontario Pension Plan.	1
Vincent Duhamel (46) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Director since 2009	Chief Executive Officer of SAIL Advisors Limited; President of SAIL Alternative Research Inc.; previously Managing Director at Goldman Sachs in Hong Kong; previously Chief Executive for Asia of State Street Global Advisors	1
John A. Hawkins (68) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Chairman of Audit Committee and Director since 1992	Previously Executive Vice President – Private Clients with The Bank of Bermuda Ltd.; Director of HSBC Investment Solutions; SR Global Fund Inc.; MW Japan Fund Ltd.	1
C. William Maher (49) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Director since 2003	Chief Financial Officer of Santa Barbara Tax Products Group; Formerly, Managing Director and Chief Financial Officer of LPL Financial; previously Managing Director of Nicholas Applegate Capital Management.	1
Jonathan J.K. Taylor (67) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Director since 1992	Chairman and Managing Director of Dragon Partners Limited (consulting for investment managers); Chairman, Schroder Japan Growth Fund Plc; Director, Onyx Country Estates Limited (family property company); Director, Member, International Advisory Board of Datawind Net Access Corporation.	1
Tak Lung Tsim (64) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Director since 1992	Principal, T.L. Tsim & Associates Ltd. (macropolitical analysis); Member of Li Po Chun United World College of Hong Kong; Director of Playmates Holdings Limited (toy company); Independent non-executive Director of Asia Cement (China) Holdings Corporation.	1

Supplemental Information (Unaudited)

Continued

Interested Director

Name, address (age)	Position(s) Held with the Fund; Length of Time Served	Principal Occupation(s) and Other Directorships Held During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Director**
John A. Bult (74)* Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Director since 1992	Chairman of PaineWebber International Inc.; Director of European Equity Fund (formerly known as The Germany Fund, Inc.); The New Germany Fund, Inc.; The Central Europe and Russia Fund, Inc.	1

* This Director is considered by the Fund and its counsel to be as “interested person” (which as used in this annual report is as defined in the Investment Company Act of 1940, as amended) of the Fund or of the Fund’s Investment Manager. Mr. Bult is deemed to be an interested person due to his affiliation with affiliates of UBS Securities LLC, the lead manager of the underwriting syndicate in connection with the initial public offering of the Fund’s shares and the dealer manager for past rights offerings by the Fund.

Officers

Name, address (age)	Position(s) Held with the Fund; Length of Time Served	Principal Occupation or Employment and Directorships in Publicly Held Companies	Number of Portfolios in Fund Complex Overseen by Officer**
Brian Corris (52) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	President since 2008	Director of Institutional Group of Barings Asset Management Limited; Resident of The Asia Pacific Fund, Inc.	2
Agnes Deng (41) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Vice President since 2010	Head of HK China Equities, Baring Asset Management (Asia) Limited; previously on Investment Director of Standard Life Investments.	1
Grace C. Torres (51) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Treasurer and Principal Financial and Accounting Officer and Vice President since 2007	Treasurer and Principal Financial and Accounting Officer of Prudential Funds, Target Funds, The Prudential Variable Contract Accounts-2, 10, 11, Prudential Series Funds and Prudential Gibraltar Fund Inc.; Assistant Treasurer and Senior Vice President of Prudential Investments; Assistant Treasurer and Vice President of AST Investment Services, Inc.; Senior Vice President and Assistant Treasurer of Prudential Annuities Advisory Services, Inc.; Vice President of The Asia Pacific Fund, Inc.; formerly Senior Vice President of AST Investment Services, Inc.	1

Officers (concluded)

Name, address (age)	Position(s) Held with the Fund; Length of Time Served	Principal Occupation or Employment and Directorships in Publicly Held Companies	Number of Portfolios in Fund Complex Overseen by Officer**
Deborah A. Docs (53) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Chief Legal Officer and Secretary since 2007	Vice President and Corporate Counsel of Prudential; Vice President and Assistant Secretary of PI; formerly Vice President and Assistant Secretary of AST Investment Services, Inc.; Secretary and Chief Legal Officer of the Asia Pacific Fund, Inc. and Secretary of all Prudential sponsored mutual funds.	2
Andrew R. French (48) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Assistant Secretary since 2007	Director and Corporate Counsel of Prudential; Vice President and Assistant Secretary of PI; Vice President and Assistant Secretary of PMFS; Assistant Secretary of The Asia Pacific Fund, Inc.; formerly Senior Legal Analyst of Prudential Mutual Fund Law Department and Assistant Secretary of all Prudential sponsored mutual funds.	2
Valerie M. Simpson (52) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Chief Compliance Officer since 2007	Chief Compliance Officer of PI, AST Investment Services, Inc., and The Asia Pacific Fund, Inc.; formerly Vice President – Financial Reporting for Prudential Life and Annuities Finance.	2
Theresa C. Thompson (48) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Deputy Chief Compliance Officer since 2007	Vice President, Compliance, PI and Director Compliance, PI; Deputy Chief Compliance Officer of The Asia Pacific Fund, Inc.	2
Lana Lomuti (43) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Assistant Treasurer since 2007	Vice President and Director within Prudential Mutual Fund Administration.	1
Peter Parrella (52) Prudential Investments LLC Gateway Center Three 100 Mulberry Street Newark, New Jersey 07102	Assistant Treasurer since 2007	Vice President and Director within Prudential Mutual Fund Administration; formerly Tax Manager at SSB Citi Fund Management LLC.	1

** The “Fund Complex” consists of the Fund and any other investment companies managed by Baring Asset Management (Asia) Ltd. (the “Investment Manager”).

Supplemental Information (Unaudited)

Continued

Dividend Reinvestment Plan

Pursuant to the Fund's Dividend Reinvestment Plan (the "Plan"), each shareholder will be deemed to have elected, unless BNY Mellon Asset Servicing (the "Plan Agent") is otherwise instructed by the shareholder in writing, to have all distributions, net of any applicable U.S. withholding tax, automatically reinvested in additional shares of the Fund by the Plan Agent. Shareholders who do not participate in the Plan will receive all cash dividends and distributions in cash, net of any applicable U.S. withholding tax, paid in dollars by check mailed directly to the shareholder by the Plan Agent, as dividend-paying agent. Shareholders who do not wish to have dividends and distributions automatically reinvested should notify the Plan Agent. Dividends and distributions with respect to shares registered in the name of a broker-dealer or other nominee (in "street name") will be reinvested under the Plan unless such service is not provided by the broker or nominee or the shareholder elects to receive dividends and distributions in cash. A shareholder whose shares are held by a broker or nominee that does not provide a dividend reinvestment program may be required to have his shares registered in his own name to participate in the Plan.

The Plan Agent serves as agent for the shareholders in administering the Plan. If the Fund declares an income dividend or a capital gain distribution payable either in the Fund's common stock or in cash, as shareholders may have elected, non-participants in the Plan will receive cash and participants in the Plan will receive common stock to be issued by the Fund. If the market price per share on the valuation date equals or exceeds net asset value per share at the time the shares of common stock are valued for the purpose of determining the number of shares of common stock equivalent to the dividend or distribution (the "Valuation Date"), the Fund will issue new shares to participants valued at net asset value, or if the net asset value is less than 95% of the market price on the Valuation Date, then valued at 95% of the market price. If net asset value per share on the Valuation Date exceeds the market price per share on the Valuation Date, participants will be issued shares of common stock at the market price on the Valuation Date. If the Fund should declare an income dividend or capital gains distribution payable only in cash, the Plan Agent will, as agent for the participants, buy shares of the Fund's common stock in the open market, on the NYSE or elsewhere, for the participants' accounts on, or shortly after, the payment date. To the extent the Plan Agent is unable to do so and, before the Plan Agent has completed its purchases, the market price exceeds the net asset value of the common stock, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the common stock, resulting in the acquisition of fewer shares of common stock than if the dividend or capital gains distribution had been paid in common stock issued by the Fund. The Plan Agent will apply all cash received as a dividend or capital gains distribution to purchase shares of common stock on the open market as soon as practicable after the payment date of such dividend or capital gains distribution, but in no event later than 30 days after such date, except where necessary to comply with applicable provisions of the federal securities laws.

The Plan Agent maintains all shareholder accounts in the Plan and furnishes written confirmations of all transactions in the account, including information needed by shareholders for personal and tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased pursuant to the Plan.

There is no charge to participants for reinvesting dividends or capital gain distributions. There will be no brokerage charge with respect to shares issued directly by the Fund as a result of dividends or capital gain distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any U.S. income tax that may be payable on such dividends or distributions.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund and the Plan Agent reserve the right to terminate the Plan as applied to any dividend or distribution paid subsequent to notice of the termination sent to the members of the Plan at least 30 days before the record date for dividends or distributions. The Plan also may be amended by the Fund or the Plan Agent, but (except when necessary or appropriate to comply with applicable law, rules or policies of a regulatory authority) only by at least 30 days' written notice to members of the Plan. All correspondence concerning the Plan should be directed to the Plan Agent c/o BNY Mellon Asset Services, P.O. Box 43027, Providence, Rhode Island 02940-3027. For further information regarding the plan, you may also contact the Plan Agent directly at 1-800-331-1710.

Quarterly Form N-Q Portfolio Schedule

The Fund will file its complete schedule of portfolio holdings with the Securities and Exchange Commission (the "SEC") for the first and third quarters of each fiscal year on Forms N-Q. The Fund's Forms N-Q are available on the Fund's website at <http://www.greaterchinafund.com> or on the SEC's website at <http://www.sec.gov>. The Fund's Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the SEC's Public Reference Room may be obtained by calling 1-800-SEC-0330. Additionally, you may obtain copies of Forms N-Q from the Fund upon request by calling 1-800-331-1710.

Proxy Voting Policies and Procedures and Record

You may obtain a description of the Fund's proxy voting policies and procedures, and its proxy voting record, without charge, upon request by contacting the Fund directly at 1-800-331-1710, online on the Fund's website: <http://www.greaterchinafund.com>, or on the EDGAR Database on the SEC's website at <http://www.sec.gov>.

Supplemental Information (Unaudited)

Concluded

Other Information

Since December 31, 2010, there have been no (i) material changes in the Fund's investment objectives or policies, or (ii) changes to the Fund's charter or by-laws or (iii) material changes in the principal risk factors associated with investment in the Fund.

U.S. Federal Tax Information

Dividends and Distributions

As required by the U.S. Internal Revenue Code of 1986, as amended ("the Code"), we wish to advise you as to the federal tax status of dividends and distributions paid by the Fund during its fiscal year ended December 31, 2010.

During the fiscal year ended December 31, 2010, the Fund paid \$0.014 per share of ordinary income dividends.

For the year ended December 31, 2010, the Fund designates the maximum amount allowable, but not less than 11.08% of ordinary income dividends paid during the year as qualified dividend income in accordance with Section 854 of the Code.

For the fiscal year ended December 31, 2010, the Fund has made an election to pass-through the maximum amount of the portion of the ordinary income dividends derived from foreign source income as well as the maximum amount of any foreign taxes paid by the Fund in accordance with Section 853 of the Code of the following amounts: \$411,718 foreign tax credit from foreign source income of \$8,065,481.

For purposes of preparing your federal income tax return, however, you should report the amounts as reflected on the appropriate Form 1099-DIV or substitute Form 1099-DIV which you should receive in February 2011.

New York Stock Exchange Certifications

The Fund's common shares are listed on the NYSE. As a result, the Fund is subject to certain corporate governance rules and related interpretations issued by the NYSE. Pursuant to those requirements, the Fund must include information in this report regarding certain certifications. The Fund's President and Treasurer have filed certifications with the SEC regarding the quality of the Fund's public disclosure. Those certifications were made pursuant to Section 302 of the Sarbanes-Oxley Act ("Section 302 Certifications"). The Section 302 Certifications were filed as exhibits to the Fund's annual report on Form N-CSR, which included a copy of this annual report along with certain other information about the Fund. After the Fund's 2010 annual meeting of shareholders, the Fund filed a certification with the NYSE on June 9, 2010, stating that its president was unaware of any violation of the NYSE's Corporate Governance listing standards.



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