

Morgan Stanley China A Share Fund, Inc.  
Form N-Q  
November 29, 2011

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

**FORM N-Q**

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-21926

Morgan Stanley China A Share Fund, Inc.  
(Exact name of registrant as specified in charter)

522 Fifth Avenue, New York, New York  
(Address of principal executive offices)

10036  
(Zip code)

Arthur Lev  
522 Fifth Avenue, New York, New York 10036  
(Name and address of agent for service)

Registrant's telephone number, including area code: 212-296-6963

Date of fiscal year end: December 31, 2011

Date of reporting period: September 30, 2011

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**Item 1. Schedule of Investments.**

The Fund's schedule of investments as of the close of the reporting period prepared pursuant to Rule 12-12 of Regulation S-X is as follows:

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Morgan Stanley China A Share Fund, Inc.

Portfolio of Investments

Third Quarter Report

September 30, 2011 (unaudited)

	Shares	Value (000)
<b>Common Stocks (99.6%)</b>		
<b>Auto Components (8.5%)</b>		
Huayu Automotive Systems Co., Ltd., Class A	27,967,837	\$ 44,583
<b>Beverages (9.9%)</b>		
Tsingtao Brewery Co., Ltd., Class A	10,122,539	52,070
<b>Capital Markets (1.9%)</b>		
CITIC Securities Co., Ltd., Class A	5,867,543	10,257
<b>Chemicals (3.5%)</b>		
Qinghai Salt Lake Potash Co., Ltd., Class A (a)	2,764,868	18,650
<b>Commercial Banks (10.9%)</b>		
Agricultural Bank of China Ltd.	26,651,300	10,230
Bank of Communications Co., Ltd., Class A	17,489,872	12,207
China Merchants Bank Co., Ltd., Class A	15,996,438	27,536
Shanghai Pudong Development Bank, Class A	5,526,820	7,342
		57,315
<b>Construction Materials (2.8%)</b>		
Xinjiang Tianshan Cement Co., Ltd., Class A	4,133,751	14,742
<b>Electrical Equipment (1.9%)</b>		
XJ Electric Co., Ltd., Class A	2,747,823	10,016
<b>Food &amp; Staples Retailing (4.8%)</b>		
Wuhan Zhongbai Group Co., Ltd., Class A	14,635,200	25,164
<b>Health Care Providers &amp; Services (8.0%)</b>		
Shanghai Pharmaceutical Holding Co., Ltd., Class A	18,793,304	42,349
<b>Household Durables (3.6%)</b>		
Gree Electric Appliances, Inc., Class A	6,172,836	19,191
<b>Insurance (9.7%)</b>		
China Pacific Insurance Group Co., Ltd., Class A	10,848,912	31,197
Ping An Insurance Group Co., Class A	3,838,952	20,033
		51,230
<b>Internet Software &amp; Services (0.4%)</b>		
Sohu.com, Inc. (a)	38,800	1,870
<b>Machinery (3.8%)</b>		
Zhengzhou Yutong Bus Co., Ltd., Class A	6,521,430	19,965
<b>Metals &amp; Mining (1.8%)</b>		

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Shandong Nanshan Aluminum Co., Ltd., Class A	7,973,010	9,409
<b>Oil, Gas &amp; Consumable Fuels (7.6%)</b>		
China Petroleum & Chemical Corp., Class A	15,389,743	16,625

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	Shares	Value (000)
Shanxi Xishan Coal & Electricity Power Co., Ltd., Class A	7,180,011	\$ 23,633
		40,258
<b>Pharmaceuticals (2.1%)</b>		
Jiangsu Hengrui Medicine Co. Ltd.	2,494,850	11,247
<b>Real Estate Management &amp; Development (5.2%)</b>		
China Vanke Co., Ltd., Class A	24,517,265	27,520
<b>Road &amp; Rail (1.8%)</b>		
China Railway Tielong Container Logistics Co., Ltd., Class A (a)	6,244,166	9,254
<b>Software (7.7%)</b>		
UFIDA Software Co., Ltd., Class A	11,794,884	40,691
<b>Specialty Retail (3.7%)</b>		
Suning Appliance Co., Ltd., Class A	11,876,009	19,238
<b>Total Common Stocks (Cost \$563,720)</b>		525,019
<b>Short-Term Investment (0.0%)</b>		
<b>Investment Company (0.0%)</b>		
Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (b) (Cost \$214)	214,027	214
<b>Total Investments (99.6%) (Cost \$563,934) (c)+</b>		525,233
<b>Other Assets in Excess of Liabilities (0.4%)</b>		2,085
<b>Net Assets (100.0%)</b>		\$ 527,318

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- (a) Non-income producing security.
- (b) The Fund invests in the Morgan Stanley Institutional Liquidity Funds - Money Market Portfolio - Institutional Class (the Liquidity Funds), an open-end management investment company managed by the Adviser. Investment advisory fees paid by the Fund are reduced by an amount equal to the advisory and administrative service fees paid by the Liquidity Funds with respect to assets invested by the Fund in the Liquidity Funds.
- (c) The approximate market value and percentage of net assets, \$497,985,000 and 94.4%, respectively, represent the securities that have been fair valued under the fair valuation policy for international investments as described in the Notes to the Portfolio of Investments.
- + At September 30, 2011, the U.S. Federal income tax cost basis of investments was approximately \$563,934,000 and, accordingly, net unrealized depreciation for U.S. Federal income tax purposes was approximately \$38,701,000 of which approximately \$32,437,000 related to appreciated securities and approximately \$71,138,000 related to depreciated securities.
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**Fair Value Measurement Information:**

The following is a summary of the inputs used to value the Fund's net assets as of September 30, 2011. (See Notes to the Portfolio of Investments for further information regarding fair value measurement.)

Investment Type	Level 1 Unadjusted quoted prices (000)	Level 2 Other significant observable inputs (000)	Level 3 Significant unobservable inputs (000)	Total (000)
<b>Assets:</b>				
<b>Common Stocks</b>				
Auto Components	\$	\$ 44,583	\$	\$ 44,583
Beverages		52,070		52,070
Capital Markets		10,257		10,257
Chemicals		18,650		18,650
Commercial Banks		57,315		57,315
Construction Materials		14,742		14,742
Electrical Equipment		10,016		10,016
Food & Staples Retailing	25,164			25,164
Health Care Providers & Services		42,349		42,349
Household Durables		19,191		19,191
Insurance		51,230		51,230
Internet Software & Services	1,870			1,870
Machinery		19,965		19,965
Metals & Mining		9,409		9,409
Oil, Gas & Consumable Fuels		40,258		40,258
Pharmaceuticals		11,247		11,247
Real Estate Management & Development		27,520		27,520
Road & Rail		9,254		9,254
Software		40,691		40,691
Specialty Retail		19,238		19,238
<b>Total Common Stocks</b>	27,034	497,985		525,019
<b>Short-Term Investment - Investment Company</b>	214			214
<b>Total Assets</b>	\$ 27,248	\$ 497,985	\$	\$ 525,233

Transfers between investment levels may occur as the markets fluctuate and/or the availability of data used in an investment's valuation changes. The Portfolio recognizes transfers between the levels as of the end of the period. As of September 30, 2011, securities with a total value of approximately \$450,448,000 transferred from Level 1 to Level 2. At September 30, 2011, the fair market value of certain securities were adjusted due to developments which occurred between the time of the close of the foreign markets on which they trade and the close of business on the NYSE which resulted in their Level 2 classification.

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Morgan Stanley China A Share Fund, Inc.

Notes to the Portfolio of Investments • September 30, 2011 (unaudited)

**Security Valuation:** Securities listed on a foreign exchange are valued at their closing price except as noted below. Unlisted securities and listed securities not traded on the valuation date for which market quotations are readily available are valued at the mean between the current bid and ask prices. Equity securities listed on a U.S. exchange are valued at the latest quoted sales price on the valuation date. Equity securities listed or traded on NASDAQ, for which market quotations are available, are valued at the NASDAQ Official Closing Price. Short-term debt securities purchased with remaining maturities of 60 days or less are valued at amortized cost, unless the Board of Directors (the Directors) determines such valuation does not reflect the securities' market value, in which case these securities will be valued at their fair value as determined in good faith under procedures adopted by the Directors.

All other securities and investments for which market values are not readily available, including restricted securities, and those securities for which it is inappropriate to determine prices in accordance with the aforementioned procedures, are valued at fair value as determined in good faith under procedures adopted by the Directors, although the actual calculations may be done by others. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer's financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances.

Most foreign markets close before the New York Stock Exchange ( NYSE ). Occasionally, developments that could affect the closing prices of securities and other assets may occur between the times at which valuations of such securities are determined (that is, close of the foreign market on which the securities trade) and the close of business on the NYSE. If these developments are expected to materially affect the value of the securities, the valuations may be adjusted to reflect the estimated fair value as of the close of the NYSE, as determined in good faith under procedures established by the Directors.

**Fair Value Measurement:** Financial Accounting Standards Board ( FASB ) Accounting Standards Codification ( ASC ) 820, Fair Value Measurements and Disclosure ( ASC 820 ), defines fair value as the value that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in valuing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in valuing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Fund's investments. The inputs are summarized in the three broad levels listed below.

- Level 1 unadjusted quoted prices in active markets for identical investments
  
- Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
  
- Level 3 significant unobservable inputs including the Fund's own assumptions in determining the fair value of investments. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the

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appropriate stock exchange (for exchange-traded securities), analysis of the issuer's financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances.

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The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities and the determination of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to each security.

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**Item 2. Controls and Procedures.**

(a) The Fund's principal executive officer and principal financial officer have concluded that the Fund's disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Fund in this Form N-Q was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the Fund's internal control over financial reporting that occurred during the registrant's fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

**Item 3. Exhibits.**

(a) A separate certification for each principal executive officer and principal financial officer of the registrant are attached hereto.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Morgan Stanley China A Share Fund, Inc.

/s/ Arthur Lev  
Arthur Lev  
Principal Executive Officer  
November 17, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Arthur Lev  
Arthur Lev  
Principal Executive Officer  
November 17, 2011

/s/ Francis Smith  
Francis Smith  
Principal Financial Officer  
November 17, 2011

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