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1. National

Provisions on the Administration of Information Disclosure for Securities Investment Funds

证券投资基金信息披露管理办法

【**Issued By**】 China Securities Regulatory Commission

【**Subject**】 Securities Investment Fund

【**Promulgated on**】 June 8th 2004

【**Effective From**】 July 1st 2004

【**Repeal**】 Guidelines of Information Disclosure for Securities Investment Fund (“证券投资基金信息披露指引”, 1999)

【**Source**】 www.csrc.gov.cn

This regulation is composed of seven parts addressing respectively the following matters: definitions, general rules governing disclosure, disclosure of subscription information, disclosure of operation information, disclosure of contingencies, management of information disclosure, and legal liabilities.

The Obligor of information disclosure shall include such natural persons, legal persons and other entities such as fund managers, fund custodians, the quota

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holder who convenes the conference of the quota holders, as provided for in the laws, regulations and rules of China Securities Regulatory Commission (CSRC).

The Obligor shall make the required disclosure through national newspapers designated by the CSRC and on the websites of fund managers and fund custodians, and ensure that investors are able to check and copy the disclosed information in accordance with the timing and manners contained in the fund contracts.

In disclosing information, the Obligor shall not: (1) make false records, misleading statements or omit material matters; (2) anticipate the investment performance of the fund; (3) undertake to guarantee profit or bear losses; (4) defame other fund managers, fund custodians and fund sale agencies; (5) publish statements of congratulation and recommendation made by any natural persons, legal persons or other entities; (6) engage in other acts precluded by the CSRC.

The information disclosure shall be made in Chinese. Where the Chinese version is accompanied by other language versions, the Obligor shall ensure that the contents of different language versions are identical. In case of discrepancies, the Chinese version shall prevail.

The information disclosure shall be made in arabic numbers. Unless otherwise specified, the currency shall be stated in RMB.

CSRC Revised Guidelines of Forms and Contents in Information Disclosure for Securities Investment Fund (No.1-4)

证券投资基金信息披露内容与格式准则(第1-4号)

【Issued By】 China Securities Regulatory Commission

【Subject】 Securities Investment Fund

【Promulgated on】 June 8th 2004

【Effective From】 July 1st 2004

【Source】 www.csrc.gov.cn

Following the promulgation of the *Provisions on the Administration of Information Disclosure for Securities Investment Fund* (supra), CSRC announced its revised guidelines governing forms and contents of information disclosure for securities investment fund No.1-4. These four guidelines address respectively : form and content of the prospectus (No.1), form and content of the annual report (No.2), form and content of the mid-year report (No.3), form and content of the quarterly report (No.4).

Rules Governing Preparation and Presentation of Disclosed Information for Securities Investment Fund (No.3-4)

证券投资基金信息披露编报规则(第3-4号)

【Issued By】 China Securities Regulatory Commission

【Subject】 Securities Investment Fund, Information Disclosure

【Promulgated on】 June 8th 2004

【Effective From】 July 1st 2004

【Source】 www.csrc.gov.cn

This is another move to implement the *Provisions on the Administration of Information Disclosure for Securities Investment Fund* (supra). The two Rules regulate respectively the preparation and presentation of notes to financial statements (No.3) and the preparation and presentation of reports on fund investment portfolio (No.4).

Both Rules state that the requirements contained therein are just minimum standards. For the investment portfolio, the Obligor shall disclose all the information materially influencing the investment decisions of investors, no matter whether they have been specified in the Rules. As to notes to financial statements, the Obligor may make additional explanations where it is necessary to facilitate investors in understanding and analyzing the financial statements.

Provisions on the Administration of Foreign Debts of Inland Foreign Invested Banks

境内外资银行外债管理办法

【Issued By】 National Development and Reform Commission, China Banking Regulatory Commission, State Administration of Foreign Exchange

【Subject】 Foreign Debt

【Promulgated on】 May 27th 2004

【Effective From】 June 25th 2004

【Source】 www.sdpc.gov.cn

The term “foreign invested banks” for the purpose of this regulation refers to wholly foreign owned banks, sino-foreign joint equity banks and branches of foreign banks, incorporated or established in accordance with the Regulation on Foreign Invested Financial Institutions within China. The term “foreign debts” refers to overseas loans, overseas inter-bank loans, overseas inter-bank deposits, transfer from overseas associated

banks and subsidiary institutions, deposits of non-residents and other forms of foreign debts.

The medium-long term foreign debt (over 1 year) and short term (no more than 1 year) foreign debts are subject to different methods of regulation. For medium-long term foreign debts, the National Development and Reform Commission determines for each bank an annual overall borrowing limit. The sum of the newly-incurred foreign debt within a specific year shall not exceed the pre-determined annual overall borrowing limit for that year. As far as short term foreign debt is concerned, the State Administration of Foreign Exchange sets an annual outstanding limit for each bank. The outstanding foreign debt at any time within a specific year shall be always under the pre-set outstanding limit for that year.

The regulation clarifies regulatory treatments of some specific transactions. Loans granted by inland foreign invested banks to inland institutions shall be administered as domestic loans in foreign exchange, against which no settlement of foreign exchange may be made unless in case of negotiation under guarantee in the context of exportation.

Guarantees provided by inland foreign invested banks to overseas institutions are treated as overseas guarantees and subject to administration thereof. However, guarantees provided by inland institutions to inland foreign invested banks for domestic obligors are administered as domestic guarantees.

Inland foreign invested banks may not settle foreign exchange for funds from their foreign debts, nor may they buy foreign exchange for the purpose of repayment. Repayment of principals and interest of foreign debts are not subject to acknowledgement by administrations of foreign exchange.

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