Charltons - China News Alerts Newsletter - 14 February 2008

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# China News Alert Issue 227

## Capital Markets

### Securities brokers may access private wealth

The China Securities Regulatory Commission said recently that it is seeking public opinion on proposed rules that would allow domestic brokerage firms to provide private wealth management services.

Under the proposed rules, brokerages would be allowed to invest in stocks, bonds, and derivatives on behalf of their clients, the regulator said in a statement.

No timeframe was given for introducing the new rules and there was no mention made of the minimum amount clients would need to place with brokerages for such investments.

The deadline for submitting opinions on the matter is 15 February.

[Source: China Economic Net](http://en.ce.cn/subject/chinamarkets/mktstock/200801/29/t20080129_14403133.shtml) ([see archive](Securities_brokers_may_access_private_wealth_Stocks.pdf))

### New measures for the administration of automobile finance companies announced

The China Banking Regulatory Commission (CBRC) recently announced new Measures for the Administration of Automobile Finance Companies. A spokesperson for the CBRC said on 30 January that the new Measures had greatly amended and adjusted entry requirements, business scope and risk management for automobile finance companies.

According to the spokesperson, the new Measures will reinforce the rules stating that investors for automobile finance companies must have experience of automobile financing or professional experience of the three main business areas: retail loans, wholesale loans (loans for dealers to purchase automobiles) and financial leasing.

The new measures have adjusted risk management indicators making them more rigorous.

In addition, the new measures raise the requirement for the total capital of non-financial investors from 4 billion to 8 billion yuan, and the requirement for operating revenue from 2 billion to 5 billion yuan.

The requirement, stating that "the same enterprise cannot invest in over one automobile company" has been abolished and some new articles have been added, including "net capital at the end of the latest year shall be no less than 30% of the total capital," "capital shall be legally sourced, no loans or trust money shall be admitted" and "no transferring shares of automobile finance companies within 3 years, which must be written into the articles of association."

The new measures also abolish the requirement for the business to "provide a guarantee for car loans."

[Source: Law Star.com](http://www.law-star.com/cacnew/200802/105012166.htm) ([see archive](New_measures_for_the_administration_of_automobile_finance_companies_announced.pdf))

### China starts legislative procedure for bankruptcy of financial institutions

A special ordinance on the bankruptcy of banking and financial institutions is being devised so as to establish a market-oriented bail-out mechanism, according to the China Banking Regulatory Commission (CBRC).

The legal instrument would provide a supplement to the revised corporate bankruptcy law that came into effect in June 2007 and target the specialities of financial areas, CBRC sources said.

No time frame for the legislative process of the ordinance is available yet.

Given banks serve as the stabliser of the economy, the ordinance must be able to minimise the aftermath of bankruptcy of banks and financial institutions and simultaneously provide the maximum protection to the interests of depositors, creditors and taxpayers, industry analysts say.

With the fully opening-up of financial areas, local banks and financial institutions will face fiercer competition. Only by allowing incompetent and highly risky players to withdraw from the market can a country defuse any financial crisis and safeguard domestic financial system, they say.

The process of bankruptcy for Chinese banks over the past decades have been referred to as "administrative closure" because most banks are state-owned.

With the central bank serving as their last creditor and rescuer, banks and financial institutions prosper on government credits but also tend to be less sensitive to risks than their western peers.

[Source: China View](http://news.xinhuanet.com/english/2008-02/08/content_7582692.htm) ([see archive](China_starts_legislative_precedure_on_bankruptcy_of_banking_institutions.pdf))

### SAFE to strengthen checks on cross-boarder capital flow

China's foreign exchange regulator said recently that it will strengthen the management of cross-border capital flow and short-term bank borrowing this year.

The State Administration of Foreign Exchange (SAFE) said that it will carry out checks on cross-border capital flow, focusing particularly how foreign currency converted into yuan is used in China.

The government is trying to meet the needs of local institutions and individuals holding and using foreign currency, the regulator said at a recent foreign exchange conference.

China faces pressure from its increasing foreign exchange reserve as the trade surplus continues to grow. At the end of 2007, the foreign exchange reserve was $1.53 trillion, up 43.3 per cent year-on-year.

The government has taken measures to redress the trade imbalance and also encouraged companies and individuals to hold foreign currency and invest abroad to reduce reserve pressure.

In August 2007, it removed limits on companies converting current account foreign exchange holdings into yuan. Companies can now hold all foreign currency revenue from trade instead of converting part of it to yuan.

The government is also increasing checks for illegal capital flow in the form of short-term foreign borrowing.

[Source: Sina English](http://english.sina.com/business/1/2008/0129/144031.html) ([see archive](SAFE_to_strengthen_check_on_cross-boarder_capital_flows_business.pdf))

### Three jailed in China for insider trading and fined US$11.2 million

A Chinese court recently gave jail sentences of 18 to 30 months to three people for insider trading of a construction firm's shares. Two of them were fined a total of 80.74 million yuan (US$11.2 million).

The Lishui municipal intermediate people's court in the eastern Province of Zhejiang sentenced Luo Gaofeng, a 27-year-old securities representative of the Shanghai-listed Hangxiao Steel Structure, to 18 months in jail for the disclosure of insider information.

The court jailed a former securities director of the company, Chen Yuxing, for 2.5 years. Stock investor Wang Xiangdong received an 18 month sentance with a two-year reprieve for insider dealing. It confiscated the illegal gains from the dealing, 40.37 million yuan, and fined Chen and Wang 40.37 million yuan each.

Chen, who left Hangxiao Steel Structure in January 2007, received information that the company was in talks with a partner on a 30 billion yuan overseas construction project on 1 February 2007. He informed Wang, who bought more than 2.7 million shares the next day.

Wang had previously agreed to give 30 per cent of the gains to Chen.

Chen confirmed the news and received further details after he called his former employee Luo on 12 February. He then told Wang to buy about 4.2 million shares on 13 February and 14 February.

Wang sold the 6.96 million shares on 16 March after learning that the securities regulatory authorities were planning to investigate for insider dealing, and made a 40.37 million yuan profit.

Hangxiao's share price stood at 4.55 yuan on 12 February 2007 and 10.75 yuan on 16 March when Wang sold his shares.

Luo and Chen said they would not appeal after Monday's court ruling, while Wang said he was undecided about whether or not to appeal.

The Hangxiao case was the first since the China Securities Regulatory Commission (CSRC) implemented new regulations in January 2007 on the release of financial information by listed companies.

Hangxiao shares reached a record high of 31.58 yuan after the stock market manipulation, but plunged when authorities investigated the case.

In May, the CSRC fined the firm 400,000 yuan for releasing misleading information about contracts it was supposed to have signed.

Company Chairman Shan Yinmu and President Zhou Jinfa were issued warnings and each fined 200,000 yuan.

The Hangzhou Intermediate People's Court said in December that it had received 51 lawsuits by stock investors claiming 2.7 million yuan of compensation for losses they suffered resulting from the misleading information.

[Source: Xinhua](http://news.xinhuanet.com/english/2008-02/04/content_7566508.htm) ([see archive](3_Chinese_jailed_for_insider_trading_fined_112_mln_English_Xinhua.pdf))

## Corporate & Commercial

### Insurers urged to quickly pay indemnities to China's snow-disaster victims

China's insurance regulator stressed that no insurance firms were allowed to reject, delay or reduce compensation for snow-disaster victims without good reason.

Meteorological forecasts showed that the weather would improve in mid-February, but the compensation work has just started, said Wu Dingfu, head of the China Insurance Regulatory Commission (CIRC).

"The follow-up work is still very arduous. Insurance companies must make full preparation and keep positive to embrace future challenges," Wu said.

He urged local insurance firms to streamline compensation procedures for disaster-related claims and pay customers immediately if the claimed amount was small.

He also ordered insurance companies to pay indemnities in advance to the industries key to the disaster-relief work.

So far, worst-hit Hunan Province in central China has reported a total indemnity claim of more than three billion yuan (US$416.7 million), and major insurers, including China Life, Ping An and China Pacific Insurance, have paid an indemnity of 40 million yuan in advance.

Insurers in central China's Hubei Province have received claims of more than 400 million yuan, including claims for the loss of 6,288 pigs. The insurers have paid about a quarter of the claims, including 6.28 million yuan to local pig breeders.

Rising pork prices drove up China's inflation rate in 2007, and the government began helping farmers insure their pigs to encourage them to raise more and increase pork supply. No pork shortage resulting from the disastrous snow have yet been reported.

Wu Yan, president of the People's Insurance Company of China (PICC), revealed that his company had paid a total of 309 million yuan in indemnities so far, with more than 50 million yuan given to Hunan Province.

The money was mainly used to compensate vehicle owners, power departments, pig breeders and people whose houses were destroyed by the snow, Wu said.

Persistent snow since mid-January, the worst in 50 years in central, eastern and southern China, has led to deaths, structural collapse, blackouts, accidents, transport problems, and livestock and crop destruction.

The snow has affected 19 provinces, destroyed 223,000 homes and damaged another 862,000, according to the Ministry of Civil Affairs.

The ministry said almost 7.8 million people had been affected and at least 60 people had been killed.

[Source: Ministry of Commerce](http://english.mofcom.gov.cn/article/newsrelease/counselorsoffice/westernasiaandafricareport/200802/20080205374033.shtml) ([see archive](Insurers_urged_to_pay_indemnities_to_snow-disaster_victims_timely.pdf))

### China launches association to power and regulate service trade

China recently launched a service trade association under the banner "of the enterprises and for the enterprises" to power and regulate the country's service industry.

"The association is expected to play a linking role to enhance international cooperation and to promote China's service sector in the global arena," said Yi Xiaozhun, Ministry of Commerce deputy, at the opening ceremony held in Beijing.

In recent years, boosting the service industry has become a common concern of governments and enterprises alike in the era of globalisation, and China is no exception. "The country's service trade faces both opportunities and challenges with its entry into the World Trade Organisation," said association President Wei Jiafu. "This newly-formed association will go all out to push forward the service business."

After years of efforts, China has gradually opened up to the outside world and has formed a multi-level service sector.

In 1982, the import and export volume of the service sector stood at US$4.4 billion, while the 2006 figure was US$191.7 billion, an 43-fold increase in 24 years.

In 2006, China was ranked eighth globally in terms of service trade exports and seventh in imports, compared to ranking 28 and 40, respectively, in 1982.

The figures for 2007 were unavailable.

Yi and Wei called on service enterprises to help those in disaster-hit areas and to make the utmost effort to do the best they could, such as in the delivery of goods.

[Source: Xinhua](http://news.xinhuanet.com/english/2008-02/01/content_7545449.htm) ([see archive](China_launches_association_to_power_and_regulate_service_trade.pdf))

### China and Australia hold first strategic dialogue

Chinese Foreign Minister Yang Jiechi and his Australian counterpart Stephen Smith started their first round of bilateral strategic dialogues recently and reached a broad consensus on various issues.

The two ministers agreed that the establishment of such annual strategic dialogues was in line with the needs of the progressive development of the bilateral ties, followed the current trend of peace, development and cooperation in the world, and marked a new stage of bilateral ties.

During the dialogue, the two sides reached agreement on five issues concerning the bilateral relations:

1. to strengthen high level exchange and enhance mutual trust in politics;
2. to expand mutual interest and deepen bilateral cooperation;
3. to expand peoples' contacts and increase friendly exchange in cultural and educational sectors;
4. to strengthen dialogue and communication about sensitive issues of both sides; and
5. to strengthen regional cooperation to mutually promote regional peace and stability.

The strategic dialogue system between China and Australia was set up by the leaders of both countries in September 2007 when Chinese President Hu Jintao paid an official visit to Australia. The dialogue provides a platform for both countries to strengthen dialogue and communication over bilateral ties as well as important regional and international issues.

[Source: Xinhua](http://news.xinhuanet.com/english/2008-02/05/content_7574457.htm) ([see archive](China_Australia_hold_first_strategic_dialogue.pdf))

### China reiterates rules on medical care costs

The Chinese government has recently issued a circular intended to tighten control of costs for medical services and drugs.

The Ministry of Health and the State Administration of Traditional Chinese Medicine jointly issued the circular.

The circular stated that public health and traditional Chinese medicine administrations should set up controls for medical care organisations of all kinds and prohibit them from raising fees or charges without government approval, charging extra fees for unregistered services or repeatedly charging fees for the same service.

The circular stipulated that medical organisations violating the regulations would face penalties. Serious cases would result in the punishment of the leaders of medical organisations, whose offenses would be publicly revealed.

[Source: Ministry of Commerce](http://english.mofcom.gov.cn/aarticle/counselorsreport/asiareport/200801/20080105361359.html) ([see archive](China_reiterates_rules_on_medical_care_costs.pdf))

## Real Estate

### Budget housing gets loan boost

China's banking regulator recently issued new rules to help low-cost housing developers obtain loans and to encourage construction.

"Providing low-income families with affordable apartments has been a priority for the government and we are offering financial support accordingly," said the China Banking Regulatory Commission (CBRC).

Under the new rules, banks can give loans for low-cost housing if developers raise 30 per cent of the total capital. This compares with the 35 per cent required for commercial housing developers.

Banks can also offer economy housing developers low interest loans at 90 per cent of the benchmark lending rate, which is currently at 7.47 per cent a year, the regulator said.

The central bank also expanded its list of loan providers for this category from just State-owned banks to all financial institutions, including joint-stock banks.

The new rules are expected to boost property developers and will take effect 30 days from 18 January.

Commercial banks had loaned 50.9 billion yuan (US$7.07 billion) to affordable housing projects by the end of 2007, the regulator said.

Investment in low-cost housing rose 30.5 per cent in the first nine months of 2007 compared with a year earlier, while spending on low-cost housing accounted for 4.4 per cent of the country's total investment in the property sector, according to the central bank's latest quarterly monetary policy report.

Government leaders urged faster construction of low-cost housing for urban families at the Central Economic Work Conference last year. Premier Wen Jiabao said earlier that budget accommodation construction would be an important measure to evaluate local government performance.

By the end of June 2007, 586 of the country's 656 cities had set up subsidised housing for sale and rental, the CBRC said.

But China's booming property market shows little sign of slowing down. Property prices in China's 70 large and medium cities jumped by 10.2 per cent in the fourth quarter from a year earlier, according to the National Development and Reform Commission.

Source: CRI English.com

http://english.cri.cn/3130/2008/02/05/262@320758.htm) ([see archive](Budget_Housing_Gets_Loan_Boost.pdf))

## IPR

### licence relief for video-sharing websites

The Chinese government has decided to allow private video-sharing websites to continue operation as long as they do not broadcast illegal content.

The State Administration of Radio, Film and Television (SARFT) and the Ministry of Information Industry (MII) said on its website that all video-sharing websites established before 31 January qualify for a licence and can continue operation.

The licence was needed for any website providing online video services and could have been granted only to State-owned or State-controlled enterprises, according to an earlier regulation that took effect.

"Websites established before the regulation took effect and do not have a bad record (for broadcasting illegal content) qualify to continue their business," said SARFT.

Video-sharing websites established after 31 January have to be State-owned enterprises in order to be granted the licence, according to the regulator.

On 29 December, SARFT and MII released a regulation stating that websites providing video programming or allowing users to upload videos in China must obtain a government licence and applicants must either be State-owned or State-controlled companies.

The regulation surprised many as most video-sharing sites in China are privately held and funded by foreign venture-capital firms.

The latest announcement saves hundreds of private video-sharing websites from closure or forced cooperation with State-owned enterprises.

According to experts, China's online video market is dominated by several big sites, such as Tudou.com, Youku.com and 56.com, which over the past few years have received hundreds of millions of dollars from venture capitalist firms encouraged by Google's US$1.65 billion acquisition of YouTube in 2006.

However, the lack of a mature business model for the sites has forced many video-sharing websites to tacitly allow individual users to upload copyrighted films, violent videos or pornographic clips in an effort to increase their viewer numbers, which in turn helps them get investments from venture capitalists to pay for the increasing broadband expenses.

In recent years, the rise of the Internet has caused the government to worry about the 210 million Chinese users, of whom nearly 20 per cent are under 18 years old, being exposed to violent and pornographic content.

The failure to establish a rating system and the burgeoning online video websites have made the government's efforts less effective.

On 3 January, SARFT posted a notice announcing that it had suspended the screening licence of Lost in Beijing, a locally made movie that contains rape, prostitution and explicit sex scenes.

The film, known as Apple in China, was earlier licenced after some 20 minutes of footage was deleted. But the producers distributed the deleted scenes on the Internet, which have become some of the most popular clips on many video-sharing websites.

[Source: CS.com](http://www.cs.com.cn/english/tnews/200802/t20080205_1364174.html) ([see archive](License_relief_for_video-sharing_websites.pdf))

### Download service provider Xunlei loses piracy suit

Xunlei, one of China's largest download service providers, has lost a piracy suit and paid 150,000 yuan (US$20,833) compensation to a Shanghai company.

Shenzhen-based Xunlei Network Technology Company (Xunlei) was accused of violating the rights of network broadcasting, which are legally owned by Shanghai Youdu Broadband Technology Company. (Youdu), according to the Pudong District People's Court.

Youdu, a content provider for broadband users, paid 600,000 yuan to obtain the network broadcasting rights for "Confession of Pain", a blockbuster film starring Tony Leung and Takeshi Kaneshiro, from the copyright owner on 28 December 2006, six days after it debuted.

Youdu was allowed to provide download services for one month after the film's debut, according to the agreement. Youdu planned to charge two yuan per download. However, a download link for the film appeared on Xunlei's website (www.xunlei.com) in early January 2007. On 4 January, the film was downloaded 520,869 times.

Youdu sued Xunlei on 21 June, and asked for 150,000 yuan in compensation.

Xunlei's attorney claimed his client only provided a third-party link for the film and did not violate Youdu's right of network broacast.

The court said Xunlei objectively participated and helped the third-party website to broadcast the pirated film and promoted the film on its website. Xunlei, therefore, should compensate for Youdu's economic loss.

[Source: CCTV.com](http://www.cctv.com/video/bizchina/2008/02/bizchina_300_20080204_13.shtml) ([see archive](Chinese_download_service_provider_Xunlei_loses_piracy_suit.pdf))

### China authorizes 30% more patents in 2007

China authorised 30 per cent more patents in 2007 than in 2006, according to the State Intellectual Property Office (SIPO).

In 2007, China authorised 351,782 patents, up 31.3 per cent over the previous year, SIPO statistics showed.

SIPO statistics revealed that patent applications for new inventions and new technology reached 67,948 and 150,036, respectively.

The total number of domestic applications for patents exceeded that of foreign applications, SIPO said. The total domestic applications reached 301,632, up 34.7 per cent, and foreign applications reached 50,150, up 13.6 per cent.

The increase rate of domestic applications for new inventions in 2007 was 17 per cent higher than that of foreign applications, said the source. Among the total applications for invention, domestic applications rose by 27.4 per cent and foreign applications increased by 10.1 per cent.

"This shows China's innovation capability has been upgraded," SIPO said.

By the end of 2007, China had authorised 2.089 million patents, including 1.79 million domestic patents and 299,000 foreign patents.

[Source: Chinese Government's Official Web Portal](http://english.gov.cn/2008-02/11/content_887618.htm) ([see archive](China_authorizes_30_more_patents_in_2007.pdf))

## Other

### Trial Regulation for Civil Servants' Awards announced

The Organisation Department of the CPC Central Committee and Ministry of Personnel has recently publicised a trial regulation for Civil Servants' Awards. Based on the Law for Civil Servants, this regulation takes into consideration the practices of civil servants' awards over the past decade, integrating virtual and material awards, and specifies the principles, requirements, grades, procedures, implementation and regulation of civil servants' awards within its 6 chapters, covering 22 articles.

The regulation states that civil servants who have made outstanding achievements and contributions can be awarded one of five grades: Citation for Meritorious Deeds, Merit Citation Class III, Merit Citation Class II or Merit Citation Class I and those awarded for distinguished contribution shall be given either "Civil Servant Satisfying People", "Civil Servant Team Satisfying People", "Model Civil Servant" or "Model Civil Servant Team".

To honour civil servants, government departments will solicit opinions from the wider population and propose the award before submitting the suggestion to higher levels of government. The reviewing authorities shall then publicise the nomination for 7 days and invite views and comments from the public before deciding whether to approve the award.

The regulation states that government departments must not repeatedly nominate awards if higher authorities have already provided an award for the same cause. Departments must not provide other types of awards, give bonuses in violation of regulations or repeatedly award bonuses. Awards will be revoked from those civil servants or teams that cover up mistakes, cheat in their application, or are in grievous violation of procedures.

[Source: China News](http://www.chinanews.com.cn/gn/news/2008/02-02/1155109.shtml) ([see archive](Trial_regulation_for_civil_servants_awards_announced.pdf))

### A batch of new regulations comes into force

A batch of new regulations relating to China's general public took effect as of 1 February, including adjustments to measures on compulsory traffic accident liability insurance for motor vehicles, measures on the management of funds for the maintenance of residential buildings and measures for the treatment of electronic waste.

The adjustment of compulsory traffic liability insurance came into effect on 1 February. According to the new measures, the gross insurance amount is raised from 60,000 yuan to 122,000 yuan. While the insured party assumes no liability in traffic accidents, the maximum compensation for death or disability is 11,000 yuan, the maximum compensation for medical expenditures is 1,000 yuan and the maximum compensation for financial losses is 100 yuan. Among the 42 types of vehicles covered by the insurance, 16 types will be charged lowered premiums, with a 5% to 39% reduction.

The measures for the management of funds for the maintenance of residential buildings stipulate that owners of commercial residential houses and non-residential houses shall pay maintenance fees according to their construction area. In addition, the measures state that those who divert funds shall be subject to the revoking of their real estate management enterprise licence, confiscation of illegal income and will be liable for a fine.

The measures for the treatment of electronic waste stipulate that in order to engage in the striping down of electronic waste, enterprises and individuals must valuate the environmental impact and set up pollution-prevention measures. Environmental protection authorities, above county level, will compile a list of these enterprises and individuals. All other individuals and enterprises are forbidden from striping down, utilising or treating electronic waste.

Land registration rules state that the transfer of land is not legally binding unless registration has taken place. Where land is transferred by means of inheritance or gift, the transfer is legally binding even if no registration is taken. However, registration is necessary for further transfers.

[Source: Xinhua](http://news.xinhuanet.com/fortune/2008-02/01/content_7538993.htm) ([see archive](A_batch_of_new_regulations_comes_into_force.pdf))

### Chinese government plans safer roads and waterways by 2010

The Chinese government is determined to have a better network of road and water transport and an emergency response system in place by 2010 in order to reduce the number of accidents.

The system is expected to help cut the death rate by 40 per cent and reduce the rate of major accidents by 10 per cent, compared with the figures for 2005, the Ministry of Communications (MOC) said.

The measures will include improving highway design, setting up more injury-prevention facilities and keeping overloaded vehicles off the roads.

Efforts will also be made to improve maritime rescue and salvage operations.

The director of the MOC's rescue and salvage bureau, Song Jiahui, said once these steps have been taken, rescue vessels will take under 90 minutes to reach an accident in key areas such as the Bohai Bay, Qiongzhou Strait and the waters around Zhoushan Islands.

The search range of the maritime rescue helicopter fleet will be expanded from 110 to 130 nautical miles by 2010.

"By then, our rescue crews will be able to use helicopters to carry out searches at night," he said. At present, pilots have to undergo special training to search for people and sinking vessels at night.

Divers will be able to reach a depth of 300 meters for salvage and rescue operations by 2010, and rescue teams will be able to clear oil and other polluting substances from sunken ships in coastal waters or harbours, Song said.

[Source: China.com](http://english.china.com/zh_cn/news/china/11020307/20080213/14667887.html) ([see archive](Govt_plans_safer_roads_waterways_by_2010.pdf))

### China discovers five major gold mines in 2007

The China Geological Survey Bureau (CGS) has announced that in 2007 the country's gold prospecting efforts resulted in a series of significant findings, with five major gold mines discovered.

The CGS said that the five mines include the copper-gold mine in Gandise in the Tibet Autonomous Region, the Dachang gold mine in Qinghai Province, the Yangshan gold mine in southern Gansu Province, the Sizhuang gold mine in Shandong Province and the Baolun gold mine in Hainan Province.

In addition, a number of gold deposits have been found on the peripheries of some lead and zinc mines.

The five mines boast a combined gold reserve of some 600 tons, and there is still great potential for further prospecting, the CGS said.

The Shandong peninsular in eastern China is one of the country's most important gold producers, with a proved gold reserve of over 1,000 tons so far.

In 2007, China overtook the United States to become the world's second largest gold producer with an output of 270.491 tons, next to South Africa, which produced 272 tons of gold in 2007. Gold consumption by China's manufacturing sector was about 9.2 per cent of the global total, according to official data.

China plans to produce 1,300 tons of gold and verify gold mine reserves of 3,000 to 5,000 tons in the five-year period between 2006 and 2010, according to the State Development and Reform Commission.

[Source: Sina English](http://english.sina.com/business/1/2008/0208/145308.html) ([see archive](China_discovers_five_major_gold_mines_in_2007_business.pdf))

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