Practices and procedures in the Chinese and international primary debt capital markets
中国与国际一级债务资本市场

实践报告

Practices and procedures in the Chinese and international primary debt capital markets
Editors in Chief:
XIE Duo, Martin Scheck

Associate Editors in Chief:
CAO Zijun, FENG Guanghua, KUANG Xiaohong, Allan Malvar

Committee Members (in alphabetical order):
Charlotte Bellamy, Ruari Ewing, Mushita Kapasi, MING Fanyu, Hui N Qing,
WAN Tailing, WEI Yicheng, XIE Zhihong, YU Le, YANG Yang, Rocco Zhang

ICMA Special Acknowledgements:
HSBC, Standard Chartered Bank, Deutsche Bank, JP Morgan Chase Bank, CICbank
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I. 引言

2014年中美经济对话中，中国国务院副总理马凯和美国财政大臣麦库林等认为，中美金融机构之间的进一步合作将有利于资本市场的健康发展，双方建立一个联合工作组，由中国银行间市场交易商协会（NAFMII）和国际货币市场协会（ICMA）担任工作主席。

工作组汇聚了中国的债券、金融市场的专家，他们分享了关于债券市场政策、债券报价和债券市场建设等金融市场信息。同时，国际货币市场协会的专家对债券市场进行了深入的分析，并提出了一些重要的建议。

工作组的首份报告旨在为政策制定者和市场人员提供参考，包括中国银行间债券市场规模和中国银行间债券市场规模的数据。

本报告的分析涵盖了两大重要市场申叔的债券发行：

- 国际债券发行市场
- 中国银行间市场

本报告并未囊括在国际市场中发行的所有债券，也不涵盖所有外国投资者发行的国际债券。本报告表达的为参与撰写的个人意见和陈述。

ICMA-NAFMII联合工作组将继续探索能够促进债券市场更加高效、更具活力、更有效率的债券实践。

II. 摘要

债券市场长期以来为公共和金融服务业提供了稳定的融资平台。中国能够在银行间市场发新债后获得资金，向投资者提供有效的回报。公司通过扭转债务违约、信用风险等方式筹集资金，以进一步满足其业务发展和扩张需要。债券市场对政府保持社会稳定增长，为基础设施项目提供资金以及应对气候变化都具有重要意义。

国际市场发展必须考虑多种形式的融资，如直接融资、银行贷款等。在国际上，对银行间市场的监管越来越严格。近期，有关银行间债券市场相关规则也在继续发展，不但符合了中国资本市场发展和风险控制的特点，也受到国际其他市场的欢迎。

本报告侧重于债券一级市场（在债券进入二级市场被投资者交易之前，首次向投资者发行的市场）的程序和环境。分析涵盖了国际和中国债券市场中发行债券的三个方面，尽职调查、信息披露和登记建制。

尽职调查

尽职调查是评估和确认发行人提供的信息的过程，帮助投资者做出明智的决定。

在中国和国际债券市场中，尽职调查是发行过程中的重要组成部分。尽职调查包括对发行人在执行的一次性检查，确保对投资者披露的信息的准确性和完整性。尽职调查涵盖了所有与投资者信息相关的方面，如市场法律和法规、业务状况、信用评估、管理和风险。

尽职调查报告强调，市场和中国债券市场的尽职调查的重要方面没有重要区别。在中国市场上，尽职调查的基本框架包括所有债务或权益的保障。而在国际市场上，尽职调查的基本框架包括所有债务或权益的保障。而中国体系则更多地基于债务保护和外部风险的保障，而国际市场则更多地基于债务保护和外部风险的保障。

信息披露

国际和中国债券市场都按照“以信息披露为基础”的原则运行，重视信息披露的透明度，以使投资者能够作出合理的投资决策。市场化选票的独特性是其在一个独立的投资者行和债券行相关条款和条件决定。国际发行则要求对债券发行人的信用进行更全面的披露。由于不同市场规则的广泛性，国际和中国债券市场在披露和其他特定方面也有些差异，例如在债券形式、债券结构、政府和债券结构等方面的披露。
同时，中国和国际市场上要求每一份债券募集说明书的准确性和完整性并声明与保证，以及要求的潜在程度上也存在差异。

### 记账方式
在债券发行中，“记账方式”是承销商根据市场状况和投资者需求确定按什么价格发行债券的过程。

通常，国际债券的发行利率比中国具有更多的价格和更少的流动性限制，仅受利率变动的通

### 市场准入
在市场准入上，发行人在母国结构流程中，而在国际市场，发行人在不同的市场中参与金额和

### 政策建议
通过国际和中国一级市场实证的研究分析，提出以下政策建议：

* 政策建议，考虑在中国市场对不同类型的投资者（机构和零售）以及不同类型的发行人气

### 应用法律
在国际市场上，单一交易可避免涉及许多国家和地区的法律，取决于发行人的所在地和债券分销所在地，以

### 国际债券发行
国际债券发行一般都需要在发行前向美国证券交易法的美国证券交易法上的要求。

### 交易各方
每当债券发行涉及的核心方，尽管有时候同一实体也会承担超过一个职位，国际和中国发行中涉及的方

* 发行人，发行债券筹集资金的实体。国际和中国市场的发行人为金融机构、非金融机构或政府实体。

* 担保人，尽管若单方交易也存在担保方，许多债券发行中涉及的担保人以提高债券信用水平，担
通常，Euroclear和Clearstream是国际市场的清算系统；上海清算所是中国承担此角色。

国际债券发行中还有安排了受托人或支付代理人角色。而在我国，受托人或支付代理人的职责角色部分由主承销商或相关清算所担任。

受托人：在国际债券市场中，受托人在发行期间代表持有者利益的专业公司。受托人有权代表投资者，允许他们就强制执行行动作出决定，或对文件进行简单的技术更改，使其不会对投资者产生重大影响。但是，除非所有国际债券发行人都有信托机构。因债券发行没有受托人，投资方也无须建立联合的关系，并可能寻求直接强制执行权利，而非通过受托人。

债券代理人/支付代理人：代表发行人在投资者作出债券支付的银行；在债券代理人情形下，即为发行人银行顾问。在债券发行中，债券发行人签署支付确认，并由债券代理人支付支付全部债券。

债券发行程序
以下债券发行程序摘要总结了国际和中国银行间市场普遍的主要交易特点。

每一债券发行交易均从发行人的主承销商/委托代理交易开始。委托代理的一般条款由发行人在和主承销商在早期的几个小时中草拟的。通常，主承销商/委托代理交易主要的投资者包括购买债券条款、价格、规模、期限、价格范围、利息支付（例如是否存在担保）、以及对投资者最为重要的分销条款。

债券发行的准备和发行
在债券发行的准备过程中，主承销商和发行人就发行管理费用支付的某些条款进行讨论，主要考虑的文件有以下几项工具；

1. 信用报告 / 发行通知 / 发行备忘录：发行人在询价过程中将对支付的准备主要使用该文件。这即是发行人在对投资者进行投资决策的必要工具。它包含发行人在相关信息进行支付文件的条款和条件。募集说明书经过技术审查，是一种申请工具，用于避免投资者主张未被披露所有债券支付重要信息或主张理财产品。

2. 认购协议：签订（“认购协议”）意味着买方支付基金发行者的债券。该协议呈发给投资者（以及投资者，视情况而定）包括支付条款。募集说明书需在发行日和认购协议的一般条款对发行者支付的条款和条件。该协议呈发给所有债券支付信息的几个关键条件，例如提前支付条件、利息支付条款以及债券发行人的要求的任何文件。它将包含支付条款，对发行者发行的证券支付的任何费用或开支予以赔偿，它也可用于债券发行的任何费用，要求债券发行的发行方式不需支付任何公开登记或类似注册。
3. 信托票据（当使用委托人结构时）— 信托票据将构成债券，并对发行人和受益人的关系以及公司受益人和债券持有人的关系进行监管。

4. 代理协议 — 一份标准格式文件，是任何银行处理对其债券或票面的出票和交还应向投资者作出的支付，在实际支付时，应支付到以信托结构中属于受益人的行政事项作出规定。

5. 全球债券 — 列出了投资的详细条款和条件。

在对特定交易进行审核之前，主承销商、发行人、外部律师和其他相关代理人将组成法律文件的格式作出约定，一旦完成定价，这些文件将根据最后协议予以更新，传阅批准，并之后由所有方签署。

尽职调查

尽职调查本质上是承销商在多个专业机构（例如行业专家、律师、审计师）的协助下对发行人业务和财务状况的调查过程，以确保发行人的信息披露没有重大的错误陈述或者遗漏，以便于投资者根据发行文件和是否投资该债券作出慎重决定。在国内市场中，主承销商开展尽职调查的职责是确保投资者在投资前了解发行人的基本情况，在中国，交易所将对承销商尽职调查的成果进行审核并作出决定。

在深圳市场中，就某项发行进行的尽职调查程度差别很大，取决于多项因素，包括但不限于发行人在证券市场的历史业绩和信用记录、目标投资者基础以及对公司和股票。在中国市场中，关于各类发行人的交易安排，对尽职调查进行依赖的投资更为明确和一致。

公告和路演

在国际市场中，交易公告通常在完成初始尽职调查和起草所有重大文件后发布。当投资者和发行人需要举行个人或集体会议或电话会议，此时，初次发售和重新发售发行人的会议进行路演。值得注意的是，尽管有关发行人的业务和潜在交易的优惠信息在会议中作出陈述，但不会向投资者提供任何陈述的硬拷贝，以避免此为正式文件（即，募集说明书），而投资者需依靠正式文件决定是否投资债券。

发起和披露条款

在国际市场中，对于主席承销商的出言是通过邮递或类似的信息平台将市场发布在发行人的初期和最终，发行人之后可直接通过其主席承销商，邀请其他金融机构作为副承销商参与发行。承销商之间的关系受他们之间签署的标准格式协议的约束。
IV. 国际离岸和中国在岸一级市场实践比较

A. 综述

报告的大部分内容比较和分析了国际和中国在岸市场的二级市场相关情况，包括尽职调查、披露和簿记建档。

尽管两个市场中重要原则和程序类似，仍然值得指出若干重要的区别。

尽职调查

国际市场上，尽职调查是承销商在多个专业机构（比如行业专家、律师、会计师）的协助下开展工作的关键步骤。报告表明，由于信息的透明度及完整性，投资者在尽职调查中需要更多关注尽职调查中的具体信息和要求。尽职调查可以作为承销商被起诉时免除承担责任的辩护（依据），如果能够提供尽职调查文件中重要信息的准确性及完整性。

在中国，尽职调查由尽职调查委员会在尽职调查过程中进行。

信息披露

在中国，尽职调查的主要内容是为筹集资金的承销机构及投资者提供充分的信息披露。

尽职调查

在中国市场中，尽职调查是对发行人在尽职调查过程中所需提供的信息进行审核和验证过程，以便投资者能够做出合理的投资决策。

实际的法律和指导

尽职调查的核心在于对尽职调查过程中涉及到的法律、法规和市场惯例进行严格的审查。尽职调查的重要组成部分是尽职调查的法律文件，其中包含尽职调查的法律依据及具体要求。

簿记建档

在中国市场中，簿记建档过程的透明度及信息的准确性对相关单位的尽职调查过程及投资者的信息接收过程至关重要。投资者在尽职调查过程中需要更多关注尽职调查中的具体信息和要求。尽职调查是承销商在尽职调查过程中不可或缺的步骤。
中国和国际市场对尽职调查在减少信息不对称、加强对投资者的风险评估方面的重要性。中国市场
操作中突出尽职调查的必要性和重要性对于集资活动，如债券发行，以及对投资者的信息披露，可以看出，尽职调查的尽职调查的正当性在于其在减少投资者面临的不确定性方面的作用。市场

### 尽职调查中各方的角色

在尽职调查的各参与方中，国际市场和中国市场的尽职调查范围并无明显区别。但是，在尽职

在国际市场上，尽职调查的重要性在于其在减少投资者面临的不确定性方面的作用。市场

### 中国：主承销商开展尽职调查

### 律师尽职调查

### 尽职调查程序

以下程序为企业和发行人在准备发行文件时适用的程序：对发行人或在上市或审批方面的主要

作为国际资本市场的运行惯例，尽职调查的程序和内容取决于发行人的业务性质、发行债券的类型、债券投资者类型以及发行地等因素，牵头承销商根据发行人的具体情况考虑所需的尽职调查的深度、筹资发行债券的难度以及发行人的相关人可能受到的具体尽职调查。而在新兴市场进行首次发行的发行人则可能面临较高程度的尽职调查。

在当前的中国A股市场中，尽职调查的深度和程序与经济发达的西方市场上的首次发行和定期债券发行人而言是相同的。中国要求的尽职调查内容与(IPO)招股说明书中要求的信息披露相似，具体包括：

- 业务独立性
- 内部管理和运作合规
- 主营业务
- 财务状况
- 行业和行业前景
- 其他重要事项
- 未募集资金的用途；及其他
- 信用状况

在中国，尽职调查是中介机构的共同职责，参与债券发行的中介机构都应当遵守相关专业责任标准和道德规范。这包括独立原则、客观原则、谨慎原则和保密性原则。

在中国市场中，债券发行人的尽职调查方法包括审查、访谈、列席会议、实录调查、信息分析、印证和讨论。尤其需要注意的是，所有方法都适用于所有的债券发行工具的发行人，主承销商需要根据发行人的行业特征、组织结构和业务特点选择恰当的方法开展尽职调查。

- 交易曲线：交易发行人的正面和负面信息，了解企业日常运作所依赖的主要制度、业务流程和相关内控情况，包括但不限于人事、财务会计、资产管理、公司治理等；
- 访谈：通过与发行人的高级管理人员、以及财务、销售、内部控制等相关部门的负责人进行访谈，从而掌握发行人的最新情况，并确认其提供的资料；
- 列席会议：在发行人的有关债务发行的重要会议上，如股东会、董事会、高级管理层办公室、部门协调会等；
- 实地考察：到发行人的主要生产基地或建项目地进行实地考察；
- 信息分析：通过多种方法获取信息、文件进行分析，从而得出结论性意见；
- 印证：通过与有关机构进行沟通和验证，从而确认调查和实地调查结论的真实性。

在中国，承销商在尽职调查过程中通常分为三个阶段：(1) 初步尽职调查；(2) 全面尽职调查；和(3) 检查尽职调查。

初步尽职调查主要是承销商在承销业务过程中为判断是否发行人是否可以发行债券或发行工具而进行的基本调查。

全面尽职调查是承销商对发行人进行的深入调查，充分了解公司的经营情况及发行人的背景和风险，并有充分理由相信发行人可以发行债务融资工具，以及确定发行文件和发行募集资金真实、准确、完整的过程。

在尽职调查过程中，承销商需要持续关注企业的盈利情况、行业趋势，以及尽职调查中提出问题的整改情况，及时根据情况调整方案。

根据中国A股市场规则及市场惯例，尽职调查包含以下步骤：

1. 组建工作团队；
2. 工作计划制定及会议启动；
3. 工作计划的调整和实施；
4. 工作总结和报告；
5. 检查尽职调查报告；
6. 对尽职调查报告的完整性进行复核；
7. 将尽职调查报告提交给相关监管机构。

在全球市场中，承销商的尽职调查程序有所不同，尤其在债券发行发行人时是否需要尽职调查（如比较，中国可能要求在债券发行发行人进行尽职调查）。
尽职调查内容

在国际和中国市场，尽职调查可分为财务、业务和法律尽职调查三大部分。

财务尽职调查

财务尽职调查主要指在确保投资书中包含的所有财务信息准确而完整。发行人（所指）审计师将评估审计和验证发行人的财务报告以及发行人在募集说明书中披露的所有财务信息，并发送审计意见。

国际市场上不同的中国实施，按惯例记录相关数据和收益的审计意见。在两个市场中，会计师都对财务报告进行审计，并与管理层在一次更新或提交募集说明（之日）后发生但财务报告中涵盖的有关调整结果和负面变动进行讨论。

业务尽职调查

业务尽职调查包括承销商对发行人运营和前景的评估，分析其中对客户交易的持续性和前瞻性。通过反复性调查，承销商取得决定发行人有合适的选择。通常，承销商将对发行人的业务计划、预测和预期进行调查，确保他们具有充足且适当的数据。承销商应与发行人在整个会议中充分的讨论，如果发行人能够适当的改进，审计意见通常不会简单地重复尽职调查，除非承销商有可能填补出发行人的评估的准确性。如果发行人评估较低，承销商通常将根据其内部程序对发行人进行信用分析。

法律尽职调查

法律尽职调查通常指，核查发行人是否合法有效设立，不存在任何未决的破产（或清算）程序，已有效授权（本次）债券发行，并且债券将成立为对发行人合法、有效和具有约束力的义务。

C. 信息披露

国际和国内中国债券市场通常在“披露为原则”的原则下运作，侧重充分信息披露，以便投资者作出投资决策。

与开展尽职调查同步，募集说明书中披露将包含发行入业务的相关信息、发行人财务状况、发行人组织、运营和特许权发行的法律和政策方面。募集说明书披露通常也包含项目的财政设置章节（涵盖所有相关领域）以及有关债务特定条款和条件的详情。

国际债券发行获准的一般原则是，承销商必须披露投资者需要做出知情投资决策所需的所有信息。这体现在欧洲募集说明书立法（《欧盟募集说明书条例》）中，也包含对不同类型发行人和不同用途担保的特殊信息要求。中国发行市场根据以上原则，详细列载于 NAIFII 的《非金融企业债务融资工具信息披露指引》中。

国际市场的披露水平将取决于投资者的计划分配。针对计划公开出售或非公开出售的债务，或者向股东出售或仅向机构投资者出售。披露要求可能出现，按照《欧盟募集说明书条例》，计划向散户出售的证券额度要求更为繁琐，并包含在募集说明书中加入发行综述的要求。

按照《欧盟募集说明书条例》，发行人接受募集说明书责任，并确认，就其所知，募集说明书符合事实情况，并且募集说明书未有任何可能影响其含义的遗漏。

如果适用《欧盟募集说明书条例》，募集说明书必须按欧盟规定由欧洲的国家监管机构审查并批准。

在中国银行间债券市场，所有新发行的公司债券必须向 NAIFII 登记。在《欧盟募集说明书条例》下由国家监管机构审查和批准，NAIFII 只对募集说明书的内容进行审查，并不对发行人的价值做出任何判断或评论。国际和中国债券市场中，投资者都必须在购买债券前，仔细阅读募集说明书并独立分析披露、评估投资风险。

然而，在中国，发行人在募集说明书中有效地申请募集说明书的批准性。与此同时，监管部门也采取相应措施，保证募集说明书的真实、准确、完整性和及时性。所有分析的判决和法律，以及募集说明书履行其义务。此声明将对欧洲无约束。

债券（和发行）的条款和条件

《欧盟募集说明书条例》要求对证券的特定信息作出披露，包括有关发行入资本结构中债务优先性的条款。

在发行前，注册文件必须包含发行的以下基本条款；

* 债券融资工具的全名
* 发行人全名
* 发行人的信用等级
* 注册通知书号
* 券面余额及发行价或利率定价方法
* 目标投资者
* 承销商和发行
* 发行日期和起息日
与中国及国际一级债券市场的规则

- 录备、核实、发行和发行
- 信用评级机构、信用评级结果
- 发行或展期
- 信用增加

发行要求与中国的要求类似，但不要求对发行人的未偿债务或“注册通知书文号”进行披露。但《债券募集说明书指令》要求以下额外披露（除规则之外）：

- 发行形式（不记名或记名）
- 货币
- 证券代码
- 术语和特指条款【包括提名强调或分割法条文】
- ISIN
- 管理法律
- 有关应记借贷的条款
- 收益
- 债务证券持有人声明
- 有关证券的决议、授权和批准
- 对自由可转让性的任何限制
- 上市安排（如可交易）
- 任何信用评级

- 在特定情形下
  - 抵押或信息
  - 发行条款与条件
  - 定价
  - 参与募集和承销的实体的名称和地址

募集款项用途

如果发行方要求，100,000 元，《债券募集说明书指令》要求发行人披露募集款项用途，以及如果债券发行无法满足发行人的财务需求则涉及的其他资金目标和来源。实际操作中，所有款项用途可以披露为一般公司用途。如果不是为了产生利润或风险控制，就不能在特定情形下披露发行目的。

中国对募集款项用途的披露要求通常比国际法规更严格。中国发行人必须披露所融款项的用途名称、任何资金缺口的总额及计算。如果募集款项用于某项目，则需要披露项目的总金额，自有资金的可得性，以及有关土地和环境保护的资金、施工计划、批准文件状态。

与欧洲规则不同的是，中国披露要求也要求发行人披露，发行人将资金用于生产或经营活动，将遵守国家法律法规和政策，且发行人将在债券期内变动筹集资金用途的，及时披露相关信息。

风险披露

《债券募集说明书指令》要求对影响发行人偿付能力的风险以及与证券相关的市场风险进行讨论。

在中国，建议对以下风险及有关发行证券发行的其他特殊风险做出明确披露：

- 投资风险、利率风险、流动性风险和货币风险。
- 信用风险。信用因素导致的风险，例如发行人的资产和负债结构；资产流动性：资本支出；投资回报；预期资产；非预期利润和损失；衍生品公允价值的变化；或有负债；以及重大事件处理的重要变化。
- 运营风险。发行人的业务或服务相关的市场或运营环境变化导致的风险：产品供求变动；原材料价格变化；行业竞争。包括产品生命周期的影响；市场饱和及市场细分；对于单一市场的依赖；市场份额；以及汇率和贸易环境的变化。均和于发行人的相关性。
- 法律风险。由于组织结构、组织股东及其他关系方的竞争力和相对收入的改变，管理层薪酬、子公司控制、复杂的内部组织关系、发行后可转让的资产重要性或重要性变化，造成发行人的管理层、管理层和管理政策不确定，因而导致的风险，以及和工作场所安全性有关的风险。
- 税务风险。发行人因国家法律、法规和政策制定的变动而产生的不确定性政策相关风险。发行人必须披露政策、金融政策、税收政策、产业政策、行业监管政策、环境政策、税收政策、业务许可制度、外汇政策、国际税务政策、反补贴或反垄断保障措施变动可能产生的影响，以及与国内政策差异可能产生的影响。

历史演变

中国债券市场通常要求发行人披露有关公司历史的更多信息。

《债券募集说明书指令》通常要求发行人披露有关公司历史的有限信息以及有关发行人和任何近期重大事件的信息。

中国发行人对企业历史发展的披露将包括主要实体的清单，企业的建立、历史发展和重组，以及股权结构的历史演变；企业在不同历史期间中的重要事件，包括股份制改革、重大增减资、合并、分立、破产重组和名称变更。

企业概览

在中国，发行人必须披露其治理和组织结构。中国发行人必须披露其董事、监事和高级管理层的基本信息，并确认遵守中国公司法和相关法律法规及章程。在撰写，披露要求与中国类似，但无需确认遵守“公司法”
中国要求对具体业务部门进行披露，包括历史营业收入、营业成本、利润和利润率。对于任何贡献了超过10%收入或利润的业务部门，发行人必须披露过去三年的主要经营成果、产业链、生产和销售区域、关键技术过程和企业地位，并披露其是否在行业内的地位和综合优势。

中国发行人还必须披露实际的销售过程，包括产品、计划、资金和资本的可变性，以及对适用法律的合规。要求对正在进行的建设没有明确的同等要求，而只是对发行人的主要业务、产品和服务，以及募集中中国有关发行人的法律程序或交易的税负和公告要求。”

**战略和利润预测**

中国的要求是要求披露未来三到五年的战略和计划。在《股权转让说明书》下，没有规定具体要求发行人披露具体信息。

**控制股东和实际控制权益**

《股权转让说明书》要求披露发行人的控制所有权权益。但是，相对模糊的中国，其只是要求披露发行人的实际信息。

中国发行者必须披露与控制股东的资产、人员、组织、财务和业务运行情况的企业和业务关系。中国要求披露控制股东的实际控制权益，包括股份比例。《股权转让说明书》下，发行人必须披露资产（在发行人知情的范围内），发行人最终控制权人之间的控制和所有权控制关系，并对已发控制安排的控制稳定性和准确性加以披露。

在中国，如果控制股东为自然人，则必须披露相关自然人，包括该自然人的姓名、年龄、职业，以及在发行人中的股份。该自然人在其他企业的主要投资，以及该自然人与其他股东的关系。如果控制股东为非自然人，则必须披露该实体名称、设立日、经营范围、主营业务、资产规模、收入和利润，以及该法人持有发行人股份的变动和价值。

对于拟上市公司而言，中国发行人必须披露在合并子公司中的持股比例，他们也必须披露合并子公司（具有50%的股份）的理由，这不仅子公司（持有超过50%股份）的理由。另外还需要披露对企业有重大影响的子公司情况，包括主营业务和过去一年的主要财务数据（包括资产、负债、所有者权益、收入和净利润）。

《股权转让说明书》不要求发行人公开披露与所有子公司相关的经营信息。中国规定要求发行人披露其子公司过去三年的财务信息，而《股权转让说明书》则要求发行人至少披露过去两年的财务信息，某些情况例外。

**重大合同和关联交易**

据中国《股权转让说明书》，要求发行人在签署重大合同和关联交易时进行披露，所有并非在发行人的正常业务过程中订立的重大合同。这些重大合同可能导致任何集团成员的重大义务或权利，可能影响发行人的实际控制人提供的担保。

中国要求披露在股利支付中进行以下披露：

- 关联交易的类型、内容，包括但不限于，定价原则、决策程序和决策机制。
- 应付账款、应收账款、其他应付款、其他应收款、现金流量和其他重要经营活动中涉及的债务和变动。
- 关联交易的频率、原因、定价基础、结算方式、影响以及过去一年的金额占。

**具有国家重要性的事项**

中国的要求是要求安全生产相关的信息披露。

有关重大合同的合同签订信息没有明确规定，但国家监管部门可能会要求从宣布之日起其他特殊列举行业的人提供信息。

中国要求发行人在安全事故发生以下披露：

- 关联交易的类型、内容，包括但不限于，定价原则、决策程序和决策机制。
- 应付账款、应收账款、其他应付款、其他应收款、现金流量和其他重要经营活动中涉及的债务和变动。
- 关联交易的频率、原因、定价基础、结算方式、影响以及过去一年的金额占。

中国要求发行人在公告中披露以下信息：

- 出现潜在的关联交易，包括重大关联交易和大量的关联交易。对于发行人的相关补充报告期及相应的日期。
- 关联交易的内控制度和相关的应急响应机制。
- 关联交易的内控制度和相关的应急响应机制。
- 出现三年的工作安全检查记录。

中国的要求是要求具有国家重要性的规定，发行人在声明“本公司保证，本公司为债务融资工具的发行所披露的所有信息不涉及国家秘密，本公司将慎重考虑公共信息披露产生的任何后果。”此规定为中国特殊规定，在披露中无此要求。
财务

中国要求对过去三年的年度财务报告进行披露，并对会计政策中的任何重大变化作出披露。该要求因例外情况而有所变化。

《国际财务报告准则》要求对过去两年的年度财务报告进行披露。按照《国际财务报告准则》，如果发行方来自欧盟共同体（EEA）成员国，则发行方应披露其年度财务报告（或在特定情形中，其母公司的年度财务报告）。

财务报告中，发行方必须披露其资产负债表、利润表、现金流量表及其他相关财务报表的数据。此外，其在三年历史期间内发生的任何重大变化亦需披露。财务报告应包括但不限于资产、负债、所有者权益、收入、费用、利润、现金流量和其他相关财务数据。

附录：中国的相关规定，发行方必须披露公司名称、注册地点和其他相关信息。财务报告应包括但不限于资产、负债、所有者权益、收入、费用、利润、现金流量和其他相关财务数据。

资产 - 负债结构

中国的审计标准要求对资产、负债、所有者权益和其他相关财务报表的数据进行披露。财务报告应包括但不限于资产、负债、所有者权益、收入、费用、利润、现金流量和其他相关财务数据。

资产重组

中国规定，发行方应披露其资产重组的以下信息：

- 发行人是否进行资产重组
- 资产重组产生的潜在风险
- 资产重组计划和承诺的法律程序
- 资产重组的合同和条件
- 资产重组财务数据的披露
- 资产重组对发行方的影响分析
- 资产重组对发行方的其他相关财务数据的影响

财务报告：在中国，发行方必须披露其资产负债表、利润表、现金流量表及其他相关财务报表的数据。此外，其在三年历史期间内发生的任何重大变化亦需披露。财务报告应包括但不限于资产、负债、所有者权益、收入、费用、利润、现金流量和其他相关财务数据。
信用增进

中国要求就信用增进作以下披露：

- 相关机构的信息。如信用增进是由一家专业信用增进机构提供，发行人应披露 NAFMI 的《中国银行间市场信用增进业务自律管理规则》披露信息。如果由其他企业提供信用增进，发行人应披露相关企业信息，方式与发行人相同。
- 抵押物的名称、抵押品金额（原价和评估价值）以及该金额占面值的比例，已发行债务的本金和利息总额，以及任何相关抵押物评估、登记、保护和法律程序的证据
- 抵押权、质押权获得的相关文件
- 在担保人信用或抵押权发生重大变化的情况下进行披露。

（欧盟募集说明书要求）要求披露发行人披露要求对信用增进提供方的信息予以披露。一般来说，披露还必须包括信用增强有效性的条款和条件，以及信用增强提供者是否对债券持有人的变更享有否决权。

有关发行的机构

在中国和欧盟规则下，发行人都必须披露有关发行的基本法律、合同信息，包括承销、法律顾问、会计师事务所等信息。信用评级机构、信用增信机构、登记处、受托人、清算代理人以及其他代理人。

根据中国法律，发行人必须披露发行机构和相关机构或其组织的内部关系。类似地，在欧盟规则下，发行人都必须披露在发行期间对利益关系的任何人士或机构，并详细说明利益冲突。

参考文件

在中国和国际市场上，披露的一个重要方面是在募集说明书中列示合规文件的集合。

在中国，这些文件包括企业注册文件，公开披露文件和募集资金项目的相关批准文件。

在欧盟，通过引用加入的文件通常包括需要披露的财务信息。此外，《欧盟募集说明书指令》要求发行人披露在其他地方可以检查到的信息，包括募集说明书中包含的或引用的发行人的章程，所有报告、信件、其他文件、历史财务信息、评估信息、第三方提供的信息文件。

D. 薄记建档

“薄记建档”是承销商试图根据市场情况和投资者需求确定在什么时候发行债券的过程。一般来说，国际市场的债务发行比中国有更短的簿记建档周期和对信息交流的限制，但是一般内幕信息机制的约束。

承销商角色

国际资本市场在确定最终簿记价格时，会更多依据于承销承销商的经验和专业性，并同时考虑价格、承销商在决定期初价格和对全球市场条件的变化以及在簿记建档过程中协调投资者和分销商方都有一定稳定性。

中国的簿记建档过程中对发行文档和信息发布的规定的主要受 NAFMI 自律规则的指引，以确保发行和分配过程的公平性。在中国，定价也由牵头承销商管理，但是价格相对简单。在中国，整个构建过程以及分销流程都有关明示标准，但国际资本市场通常不设定这些标准。

发行人角色

欧洲和美国般破产发行人在参与簿记建档过程，而在中国市场，簿记建档过程是由牵头承销商掌管的，发行人在与投资者相关沟通。

分销设定期间

国际资本市场对发行文档和发售通知并无规定要求，但规定发行人在交割期时需要发布公告。中国的银行同业债券使用普通工具市场公告发行的时间和募集流程有所不同。国际资本市场对发行公告和付款流程并无明确要求，而中国则有明确的规定。

在国内市场上，如果发行人在簿记建档过程中发现价格优势，它可以通过简单简单步骤进一步优化价格。在中国，同样的情况下，发行公司可以调整簿记的结果并进行市场发布。在国际资本市场上，如果发行人在簿记建档过程中的有利价格，发行人可以进一步优化价格。

国际簿记建档

国际簿记建档过程中是根据簿记簿记录人和全球投资者之间的价格谈判和发行过程。簿记簿记录人是在簿记建档过程中的人，为发行人实现最佳定价和规模目标。符合发行规模、定价、期限和不断变化的市场条件，投资者在簿记簿记过程中获得目标和实现满足投资者的风险和回报目标的定价。

新发行或较少债务的发行人的债券营销，一般通过与国际投资者的路演会方式进行。路演的目的是向投资者介绍公司的亮点、业务策略和最新发展情况，使投资者对进行发行的债务关注度加大，并提高投资者按原簿记簿记人的定价范围购买债券。
通常情况下，由股东决定是否接受溢价交易。但市场条件决定并购速度。直到市场条件决定是否接受溢价交易。

由于这个过程是动态的。并购的前景也不例外。并购交易的条件取决于并购双方的意愿和市场条件。并购交易的条件决定了并购速度。直到市场条件决定是否接受溢价交易。

投资者股权投资之后，将考虑到不同类型的投资者的投资偏好。由于市场条件的改变，投资者的投资偏好也会随之改变。并购交易的条件决定了并购速度。直到市场条件决定是否接受溢价交易。

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3. 确定并购交易的条件，包括并购交易的条件。

在并购交易的条件中，投资者的投资偏好是一大影响因素。并购交易的条件决定了并购速度。直到市场条件决定是否接受溢价交易。

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4. 分配。在并购交易的条件中，投资者的投资偏好是一大影响因素。并购交易的条件决定了并购速度。直到市场条件决定是否接受溢价交易。

5. 上市交易。在并购交易的条件中，投资者的投资偏好是一大影响因素。并购交易的条件决定了并购速度。直到市场条件决定是否接受溢价交易。

中国国内债券发行程序

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IV. 政策建议

通过比较中国银行间债券市场与国际债券市场的一般市场实践，一方面可以促进中国债券市场的发展，另一方面可以促进债券市场与债务市场制度的完善。

A. 借鉴国际市场信息披露制度的相关经验

信息披露作为协会注册的核心内容，应逐步提高其有效性和规范性，以不断提高投资者的保护水平。国际市场上的机构投资者普遍要求发行方以定期方式公开市场发展的情况，给予中国债券市场的相关产业建设性建议。NAPIM 将与 ICMA 进行市场交流，实现对有关部门与协会的平等沟通，以促进中国债券市场的发展。

B. 进一步推进尽职调查工作的规范化

进一步推进尽职调查工作的规范化，充分发挥会计师和券商所在专业领域的优势，适当提高其尽职调查参与度。以定期市场经验和一般性经验为基础，组织组建团队制定相关行业标准，提高尽职调查的规范性，更加有效地提高尽职调查的透明度，提高尽职调查的市场竞争力。

C. 进一步优化发行流程，并加强发行环节自律管理

借鉴参考国际市场审慎的业务流程和发行企业的发行效率，推动发行环节的自律管理。同时借鉴国际事中事后管理理念，研究建立发行环节的信息披露和自律管理，提高发行环节的信息披露的透明度、市场竞争力和自律管理的规范性。

VI. 附件

A. 国际债券资本市场实践

1. 尽职调查

2. 募集说明书内的信息披露

3. 国际债券发行簿记建档流程
A. 国际债券资本市场的基本实践

1. 尽职调查

背景

尽职调查是债券发行阶段的一项重要工作，它旨在确保债券发行文件的准确性和完整性，为独立或与其他发行人一同进行的调查过程。此期间，它被称为募集说明书。

尽职调查过程涉及收集、分析和验证发行人的相关信息。信息由自身的财务、法律、技术、市场及监管等多方面的因素决定。

为确保尽职调查的准确性，通常需要对发行人进行详尽的背景调查。

为什么要进行尽职调查？

尽职调查的参与者通常包括承销商、律师、会计师等，他们通过尽职调查的行为来确保尽职调查文件的准确性和可靠性。

可能发生的风险特征

大多数债券发行人都会要求使用披露文件或募集说明书来募集信息披露文件。这包括以下内容：

(1) 法律风险：涉及法律文件的准确性和完整性。
(2) 市场风险：涉及市场变化的准确性。
(3) 信用风险：涉及信用评级的准确性。

在尽职调查过程中，承销商通常会通过“现场检查”和“尽职调查”来履行其尽职调查的职责。承销商和尽职调查的参与者通常要关注不同的问题。
安排承诺（指附有某个形式的安排承诺），适用于单次的信用评级债券发行。在美国市场，如果新发 144A 规则发行债券，承销商需使用 SAS 72 规则的安排承诺。该安排承诺可在信用或信用评级审查报告公布 15 天内提供。

国际公司 2004 年曾对外表示：

自 1993 年以来，美国证券交易委员会的第 11 和第 12 条的规定，以及修订后的《证券交易法》和《证券交易法》对承销商的义务和责任作出了具体要求。这项规定为承销商提供了在促进和持续的监管和监管的执行方面的重要性。第 11 条规定承销商必须提供一系列的报告，如财务报表的审计报告。这些审计报告是根据公司年度报表中的财务报告来满足有关信息披露和透明度的要求。

财务报告并没有指出承诺的持续执行是否充分，也没有指出承诺的持续执行是否充分，也没有指出承诺的持续执行是否充分，也没有指出承诺的持续执行是否充分，也没有指出承诺的持续执行是否充分。

（2）法律尽职调查

发行人在签署承诺书前，有权要求发行人履行承诺。发行人和律师必须对发行人的文件中所涉及的法律问题进行调查，并确保文件的合法有效性。

在发行人的发行交易中（例如根据 1993 年的《证券交易法》或修订后的《证券交易法》）的发行过程中，承销商和律师必须对发行人的文件进行仔细的审查，并确保这些文件的真实性和合法性。

此外，当按照 144A 规则发行债券时，双方律师（发行人和承销商）都会被要求提供一份 10b-5 法律意见书，这是律师在未完成发行文件之后在重大错误的陈述和遗漏时避免诉讼的实质性的和法律上的保证。

（3）业务尽职调查

这项调查涉及到承销商调查发行人的业务前景。承销商可以了解发行人的规模和优势、生产、销售、资本和未来的发展战略。

对于低评级的发行人，承销商则需根据内部标准对其进行信用分析。

非专业尽职调查的程序（即非专业背景的分析性）将在详细的“尽职调查程序”中详述。

审核和尽职调查

审核和尽职调查的主要目标是确保发行人的财务报表的公允反映和公正地披露发行人的业务，不存在误导信息及遗漏重要信息。

在有限的法律程序前，由于非专业人士或非专业人士的程序通常不包含承销商的决定。全面非专业的尽职调查是发行人的利益和承销商的利益。

尽职调查程序

尽职调查的程序和程度取决于发行人的业务性质、发行人的PosX、债券投资者类型以及发行所在地。

ICMA 统一市场手册中规定 IR 3.3 及 3.4 条有规定有关尽职调查的程序。

“3.4 为确保所有发行人的所有尽职调查程序将有相同的程度（例如：程序的程序和目标取决于发行人的类型），因此无法详细说明每次发行是否需要做尽职调查或者采取那些具体程序。”

国际资本市场承销商通常遵循 ICMA 的指引。

在考虑什么是“适度”的尽职调查时，这条指引列出了特定条件下合理地或尽职的条款，包括在 ICMA 指引中列出的因素。

因此，一个经常发行债券的高评级发行人可能会接受非常严格的尽职调查，而在新兴市场首次发行且评级不高的发行人可能会接受更严格的尽职调查。

通常欧洲债券市场的承销商对特定的情况会适当采用以下程序进行尽职调查：
在尽职调查过程中，承销商将尽可能地熟悉发行人的行业。承销商在尽职调查中所涉及的公司的报告文件，包括募集说明书、年度报告和财务报告，必须详尽而专业地将他们向发行人的尽职调查过程中涉及的重要文件进行详细分析。如果发行人是涉及高度保密的，如保险、电信、银行等，承销商需要了解和熟悉该行业的主要法规以及它们如何影响发行人的业务。承销商还会了解该行业及发行的准许以及可能对行业存在重大影响。发行人的审计委员会参与这些文件的审查，如有必要，承销商将与其律师协助发行人的一个或多个文件（如合同）进行审核。

承销商通常会提交一个文件清单，要求发行人提供上述文件（如贷款协议、重大合同）。书面文件通常会被送达各个律师进行审核，必要时也可进行实地考察。

承销商通常会在起草及审核募集说明书及发行人的主要负责人签发的函件时，发行人的主要负责人签发的函件，如承销商和律师对相关文件的详细分析，将被用于帮助他们熟悉发行人的业务情况。在律师的协助下，承销商会要求发行人在首次发行前签署一份正式的文件，该文件不包含任何重大错误陈述或虚报重要信息。这种书信的方式适合初次发行的发行人，也适用于有关未披露文件的发行的发行人。和相当长的时间内没有更新披露的情况。

承销商通常会要求发行人的律师审查并提交一份法律意见书，这些文件包含发行人的注册和授权文件，公司重要的商业声明和其他文件。发行人可以建立数据库来满足承销商的要求。

承销商可能会要求发行人的律师对发行人的财务进行尽职调查。

承销商可能会要求发行人的律师对发行人的财务进行尽职调查。

虽然在美国市场相对集中，其他程序可能包括律师审查发行人的主要业务合同和其他重要公司文件。现场考察发行人的主要设施以及重要的第三方的会议，如监管机构、供应商或客户。这些是美国证监会的一个标准程序。

类似的尽职调查

以下列出的调查程序适用于首次在444A市场发行的发行人。发行人的主要负责人在完成尽职调查后，必须立即向承销商提供以下文件，以确保尽职调查的准确性和完整性。

在某些情况下，首次发行的程序和上市发行的程序是不同的。除了在调查中需要用到的信息之外，主要的区别在于，发行人的尽职调查只需要满足某些程序即可，而在美国，几乎所有的尽职调查程序都需要使用到。

根据美国《1933年证券法》和《1934年证券交易法》（《交易法》），详细尽职调查程序可以构成尽职调查的基础。根据美国司法部的相关规定，尽职调查是非常重要的，也是非常详细的。律师会提供“10b-5”法律意见书来支持发行人的声明，表明在准备相关证券注册的过程中，或者在444A发行的证券发行的背景下，没有任何事项使得他们相信募集说明书包含任何重大错误陈述或遗漏重要信息。

与欧洲的尽职调查不同，承担的分配取决于所涉及的各方的专业知识（即律师、顾问、律所和会计师）。当起草募集说明书时，可能需要进一步的专业知识要求（如矿业顾问、顾问顾问）。
尽职调查的重要性不仅体现在在发行前对发行人进行尽职调查（例如尽职调查和签署协议）和在发行后，而且体现在发行的初期阶段和审查募集资金的阶段。为了体现它的必要性，承销商律师通常会准备一个尽职调查备忘录，这份备忘录记录了已被审查材料的情况。它不仅反映在发行前的重要信息，在发行后更是提供了完整的尽职调查流程。承销商的律师也可以编制尽职调查文件来记录有关发行商的尽职调查（如诉讼）。材料来源，这个文档通常包含所有要求发行人提供的文件；所有审核发行人提供的文件的律师报告（无注解）；以及一份未结算的备忘录。

文件清单

以下这个清单总结了一些承销商就发行尽职调查而要求提供发行人的文件类型。事实上，所有内容在相关情况下，也不一定产生相关性。请注意，承销商并不在每次发行中也要求发行人（尤其是新近成立的公司或最近发行过）提交全部或这些文件。

(1) 公司的章程和记录，包括但不限于：公司名称、组成和在任何分支机构登记的文件，以及相关的文件；所有股东和所有股东的活动报告。
(2) 发行人财务信息（相关商业银行、商业银行和其他金融机构的文件）和所有的必要文件；所有财务报表；所有财务相关文件。
(3) 工程材料：如营业执照；税务证书；土地所有权证书；工程进度和工程时间；工程合同（与所有重要工程管理签订的包括承包商和设备）。
(4) 根据相关文件，如国家司法机关的判决（合同）；重点客户合同；重要的供应商、供应商等。
(5) 工程合同和分包合同；工程实施的合同（分包）；工程分包的合同；所有相关文件；所有相关文件。
(6) 物业及设备；房产证；个人财产的文件（如租赁合同）；相关的评估文件；相关的评估文件。
(7) 公司的章程。
(8) 市场信息；竞争对手的细节和市场份额；销售；样本客户的合同（10大供应链名单）；研究和开发计划；与最近三到五年的公司的竞争对手调研的合同和相关的其他文件。
(9) 上市公司的材料（如适用）；如美国证券交易委员会的文件；最近三到五年的财务报告；最近三年的审计报告；最近三年的审计报告和会计报告；最近三到五年的财务报告。
(10) 其他：如任何其他有关的协议；对于公司，合作伙伴的合同；合同的条款；未来的合同计划；公司财务信息系统的报告；未来合同的变更计划。

2. 募集说明书的披露

募集说明书是发行人发行股票的重要法律文件。募集说明书必须包括发行前交易的主要事项，包括发行人的债务、企业的条款和条件、风险因素及财务报表。

相比根据《证券法》规定的尽职调查，根据《14A》规则进行的尽职调查通常会为了达到美国10-K的准则而进行尽职调查。此尽职调查通常从美国证券交易所委员会的信函开始。因此，14A规则的财务报表会通过“管理讨论及分析”及“行业数据”等披露信息。而这两部分在只发行股票的财务文件中并不常见。

根据S规则的财务信息，只要在文件上并不要求，不过，在中国发行股票时，具体规定通常会包含以下信息：

1. 有关以下各项的摘要：
   a. 业务概述；
   b. 过去三年的财务报表（包括资产表、负债表和现金流量表）；
   c. 股票的条款摘要。
2. 填写发行计划简介，业务概述。
3. 发行人最近3年（未完成的）的财务数据及详细（如适用）”。

3. 过程或步骤的风险因素：
   a. 业务的运营和财务表现；
   b. 发行人管理者的行业；
   c. 相关司法管辖区的监管和监管；
   d. 证券及交易市场的特性。

4. 发行人必须披露可能影响投资者决策的未来价值的任何信息，从而投资者能够作出知情决定。在披露风险因素的报告，是为了保障发行人免于承担投资者的责任，但通常也考虑市场推广的需要。
9. 附带描述相关监管规则的监管和监管信息。
10. 涵盖公司治理、管理层成员及其能力的管理层信息，尤其是：
   a. 董事及管理人员的简历，最近在发行人及行业的经验；
   b. 董事会结构及董事会成员；及
   c. 管理层的薪酬所有权及股票期权计划。
11. 对会（或不会）有利于发行人的关键财务。
12. 包括但不限于财务报告全文及财务摘要附注的财务状况（又称“水彩”）。
13. 指出是否有新的角度描述历史业绩及公众对业绩的预测，及对财务状况的管理及分析。
14. 包括但不限于业绩、竞争情况的行业信息。来自第三方的数据必须是经过核证的来源获取，并可引用有关数据。

总体而言，美国和中国的发行制度是“以信息披露为基”，两地非常重视制度的透明度，及给予投资者信息，从而投资者可以作出知情的投资决定。据此而言，在会议上就债券募集说明书所提出的信息，可概括为以下八个方面：

1. 业务信息：投资者需要知道自己投资的是什么主体。
2. 资信信息：投资者需要知道他们投资的是什么金融工具，包括金融工具的条款及条件。
3. 财务信息：募集说明书除了从定性角度描述业务外，投资者亦需根据 S-X 规则，了解公司的财务信息，以及管理（参见下文“管理层讨论及分析”）和财务会计准则进行的工作。
4. 法律和其他信息：债券发行申请，交易中还有其他对投资者的投资决定构成重大影响的因素。这些信息必须纳入募集说明书中。例如有关预期的信息披露。

以下是 144A 规则交易募集说明书的常见目录内容：
* 财务方向、债权和可转介绍
* 有关受到财务信息的通知
* 财务情况
* 财务方向的强制执行
* 担保
* 证券发行
* 合并财务及营业收入摘要
* 风险因素
* 所得税事项
* 收益相对固定费用的比率
* 资本价值
* 公司历史和企业结构

* 精选合并财务及营业收入数据
* 财务状况及业绩的管理层讨论及分析
* 业务
* 监管
* 公司董事
* 公司行政管理人
* 公司股东
* 关联方交易
* 重大利益的说明
* 融资的说明
* 资本化
* 承担
* 分部
* 转让协议
* 法律事务

* 独立注册会计师事务所
* 一般信息
* 合并财务报表索引

**国际债券发行的市场推广**

新发行人或不经常发行的发行人通常会通过与国际投资者开展全球路演活动，为国际债券发行进行市场推广活动。举行路演是为了向投资者介绍公司的信用状况，业务策略及近期发展，尽量提高投资者对特定发行人的发行及投资兴趣，并引导投资者在路演过程中设定的范围内购买债券。

发行人在作出决定后，取得簿记人的销售团队会按投资者的需求，路演期间，由投资者与投资者的午餐会时间，为投资者安排午餐会和投资者午餐会的时间。路演期间，从亚洲至欧洲，所以 S 规则交易的路演地点通常包括香港、新加坡及伦敦。由于 S 规则交易发行的美国的合格机构投资者亦发行的目标，因此，除了香港、新加坡及伦敦外，路演团队还前往纽约、波士顿，有时更会到柏林和巴黎。

当债券簿记人的销售团队与投资者会面后，便会与各投资者跟进，寻找他们的兴趣，并通过路演收集的意见，通常都是在路演活动后跟进。路演过程中，投资者给予充分的建设性意见，凭借投资者给予充分的建议，确定簿记人确定“初步价格指引”（即可能在交易过程中不断演变），以便在取得发行人的批准后开始簿记建单流程。
<table>
<thead>
<tr>
<th>地点</th>
<th>S 规则</th>
<th>144A 规则</th>
</tr>
</thead>
<tbody>
<tr>
<td>香港</td>
<td>香港</td>
<td>香港</td>
</tr>
<tr>
<td>新加坡</td>
<td>新加坡</td>
<td>新加坡</td>
</tr>
<tr>
<td>伦敦</td>
<td>伦敦</td>
<td>伦敦</td>
</tr>
<tr>
<td>纽约</td>
<td>纽约</td>
<td>纽约</td>
</tr>
<tr>
<td>波士顿</td>
<td>波士顿</td>
<td>波士顿</td>
</tr>
<tr>
<td>洛杉矶（非强制）</td>
<td>洛杉矶（非强制）</td>
<td>洛杉矶（非强制）</td>
</tr>
<tr>
<td>旧金山（非强制）</td>
<td>旧金山（非强制）</td>
<td>旧金山（非强制）</td>
</tr>
</tbody>
</table>

### 3. 国际债券发行簿记建档流程

国际债券发行簿记建档流程实质上是簿记簿单人与全球投资者之间为债券确定市场价格的过程。簿记簿单人与全球投资者在簿记建档流程的目标是，为发行人在发行后首次发行及发行规模、定价、年期、外币及收益的风险，投资者在簿记建档流程的目标是，就固定及波动达到投资者风险和回报目标的价格。

簿记建档流程一般以公布初步价格指引（或称簿单尚未建立）初步价格指引是发布者在簿记建档流程的目标是，为发行人在发行后首次发行及发行规模、定价、年期、外币及收益的风险，投资者在簿记建档流程的目标是，就固定及波动达到投资者风险和回报目标的价格。

在市场公布初步价格指引后，每家簿记簿单人及全球投资者开始与投资者沟通，收集他们对订单及指示性定价水平的看法。投资者随时根据初步价格指引形成对预期的订单。一般在有关的订单中确认最终价格。对于大多数亚洲投资者目标地区的美元交易而言，簿记建档流程从亚洲开始后延伸至欧洲及美国（只限 144A 规则交易所）。不同地区的投资者会向簿记簿单人的销售团队提供各自的订单及指示定价目标。然而，（如关于美国 144A 规则／于美国证券交易委员会登记的交易而言）簿记建档流程有时亦可从亚洲或欧洲市场开始，再转回到亚洲。

当簿记簿单人已收集足够的订单，且进一步了解投资者对定价的看法后，簿记簿单人决定向市场公布最终价格指引。最终价格指引代表重大改变最终定价。凭借最终价格指引，投资者将基于最终定价及定价影响交予簿记簿单人，并由簿记簿单人决定是否认定交易的最终价格及发行规模。

当所有投资者确认订单后，簿记簿单人将根据发行人的偏好及簿记簿单人对投资者的理解，决定是否批准交易。一般而言，‘买方债务人作对话交易’的投资者通常会比‘销售’投资者优先被接受。投资者将可能在交易开始后于二级市场交易前，即出售债券以锁定利润的投资者。

以下是簿记簿单人在分配发行期间时需考虑的若干一般因素：
- 发行人的特定偏好
- 投资者对发行规模的清晰兴趣（不论是绝对或相对投资者的投资者会优先考虑资产管理而言）
- 投资者的历史交易量及一般在过去发行的买卖行为
- 投资者发行新债及特定发行条款的性质及程度，例如他们参与路演的程度，提供意见的频率及时间是否适时
  - 投资者表示兴趣的时间是否适时
  - 任何影响显示没有理由相信投资者考虑了其预期或发行规模的真正兴趣
  - 投资者同意的种类或种类（例如共同基金、银行、对冲基金及交易公司）；及
  - 投资者是否表示发行作为主动查询，以及投资者参与该次发行的重要性
  - 投资者对发行新债及特定发行条款的性质及程度，例如他们参与路演的程度，提供意见的频率及时间是否适时
  - 投资者表示兴趣的时间是否适时
  - 任何影响显示没有理由相信投资者考虑了其预期或发行规模的真正兴趣
  - 投资者同意的种类或种类（例如共同基金、银行、对冲基金及交易公司）；及
  - 投资者是否表示发行作为主动查询，以及投资者参与该次发行的重要性

债券发行不应受公司于某一特定投资者账户接受或拒绝的交易量、佣金或其他收入而决定。

最后，当簿记簿单人或交易及债券被视为已定价或价格，投资者发行的价格及交易规模将由簿记簿单人与投资者协商决定。国际债券发行簿记建档流程时间表（供 144A 规则／144A 规则国际债券发行参考）

亚洲发行交易而言，定价程序一般在伦敦（S 规则交易）或纽约（全球／144A 发行）进行。在这种情况下，全球投资者将有机会参与交易。如亚洲超过纽约发行与交易所定价之定价程序会在亚洲有关交易进行。有时，根据 S 规则进行的美元交易亦会在亚洲有关交易进行，突显亚洲投资者基础日益重要。
以下是144A交易的标准时间表:

<table>
<thead>
<tr>
<th>时间</th>
<th>区域</th>
<th>时长</th>
<th>事项</th>
</tr>
</thead>
<tbody>
<tr>
<td>上午8:30</td>
<td>中国/香港</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>上午9:00</td>
<td>上午8:30</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>下午2:30</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>下午3:00</td>
<td>上午8:00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>下午4:30</td>
<td>上午9:30</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>下午5:00</td>
<td>上午10:00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>下午6:00</td>
<td>上午11:00</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>下午8:00</td>
<td>下午1:00</td>
<td>上午8:00</td>
<td>-</td>
</tr>
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<td>下午9:00</td>
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<td>-</td>
</tr>
<tr>
<td>下午10:00</td>
<td>下午3:30</td>
<td>上午10:30</td>
<td>-</td>
</tr>
<tr>
<td>下午11:00</td>
<td>下午4:50</td>
<td>上午11:00</td>
<td>-</td>
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<tr>
<td>下午11:30</td>
<td>下午4:30</td>
<td>上午11:30</td>
<td>-</td>
</tr>
<tr>
<td>下午11:45</td>
<td>下午4:45</td>
<td>上午11:45</td>
<td>-</td>
</tr>
<tr>
<td>晚上00:00(第二天)</td>
<td>下午5:00</td>
<td>下午12:00</td>
<td>-</td>
</tr>
<tr>
<td>晚上00:15(第二天)</td>
<td>下午5:15</td>
<td>下午12:15</td>
<td>-</td>
</tr>
<tr>
<td>晚上00:30(第二天)</td>
<td>下午6:30</td>
<td>下午13:30</td>
<td>-</td>
</tr>
<tr>
<td>晚上00:45(第二天)</td>
<td>下午6:45</td>
<td>下午13:45</td>
<td>-</td>
</tr>
</tbody>
</table>

注：(1) 时间表按中国时间编制。
(2) 最终定价时间取决于定价日的市场状况及投资者订单情况。

### B. 中国银行间债券市场实践

1. 尽职调查

2. 信息披露的一般要求

3. 建立机制的一般流程
B. 中国银行间债券市场实践

1. 尽职调查

A. 尽职调查的定义

债务融资工具尽职调查是指各相关部门对债务融资工具尽职调查，以揭示各发行方的信用风险和潜在风险，评估发行方的信用状况和债券的信用风险。尽职调查包括但不限于发行方的财务状况、经营状况、信用风险、偿债能力、市场风险、法律风险等方面的分析和评估。尽职调查的结果将作为发行方选择债务融资工具的依据。

B. 尽职调查的作用

(1) 尽职调查对投资者的作用

尽职调查对投资者的作用主要在于揭示发行方的信用风险和潜在风险，为投资者提供决策依据。尽职调查的目的是为投资者提供全面、准确、及时的信息，帮助投资者做出投资决策。

(2) 尽职调查对发行方的作用

通过尽职调查，可以帮助发行方及时发现和解决存在的问题，提高发行效率，降低发行成本。尽职调查还可以帮助发行方提高市场形象，增强投资者的信任。

C. 尽职调查的主要内容

在中国银行间债券市场，尽职调查主要包括发行方的基本信息、财务状况、经营状况、信用风险、偿债能力、市场风险、法律风险等方面的分析和评估。尽职调查的内容将作为发行方选择债务融资工具的依据。

D. 尽职调查的主要阶段

尽职调查一般分为初步尽职调查和正式尽职调查两个阶段。初步尽职调查是根据发行方的申请和要求，由债券发行机构进行的尽职调查，主要目的是了解发行方的基本情况和发行条件，为后续的正式尽职调查提供参考。

E. 尽职调查的具体程序

尽职调查的具体程序主要包括以下步骤：

(1) 发起尽职调查

发起尽职调查是指在尽职调查的初步阶段，由债券发行机构根据发行申请和要求，启动尽职调查程序。

(2) 尽职调查准备

尽职调查准备是指在尽职调查的正式阶段，由债券发行机构根据初步尽职调查结果，准备尽职调查报告。

(3) 尽职调查实施

尽职调查实施是指在尽职调查的正式阶段，由债券发行机构根据尽职调查报告，实施尽职调查。

(4) 尽职调查审核

尽职调查审核是指在尽职调查的正式阶段，由债券发行机构根据尽职调查结果，对尽职调查报告进行审核。

(5) 尽职调查报告

尽职调查报告是指在尽职调查的正式阶段，由债券发行机构根据尽职调查结果，编写尽职调查报告。

(6) 尽职调查结果

尽职调查结果是指在尽职调查的正式阶段，由债券发行机构根据尽职调查报告，对尽职调查结果进行总结。

F. 尽职调查的注意事项

在进行尽职调查的过程中，应注意以下事项：

(1) 尽职调查过程中，应遵循相关法律法规，保持客观公正，避免利益冲突。

(2) 尽职调查过程中，应注重信息的收集和分析，确保信息的真实性和准确性。

(3) 尽职调查过程中，应注重合理利用资源，提高尽职调查的效率。

(4) 尽职调查过程中，应注重风险的识别和评估，避免因尽职调查不充分导致的风险。

(5) 尽职调查过程中，应注重与发行方的合作，确保尽职调查的顺利进行。

(6) 尽职调查过程中，应注重与监管部门的沟通，确保尽职调查的合法性和合规性。

G. 尽职调查的法律法规

尽职调查的法律法规主要包括以下内容：

(1) 《中国银行间债券市场尽职调查指引》

(2) 《中国银行间债券市场尽职调查评价与监管指引》

(3) 《中国银行间债券市场尽职调查信息披露指引》

(4) 《中国银行间债券市场尽职调查法律责任指引》

通过尽职调查，可以提高债券市场的透明度，促进信用风险管理，降低市场风险，提高债券市场的效率和质量。
2. 信息披露的一般要求

发行人采用公开发行方式或公开定向发行方式注册债券融资工具，应根据相应登记体系的要求准备注册文件，具体注册文件与信息披露要求如下：

i. 公开发行表格体系

1. 《募集说明书》包括注册文件清单和信息披露表格两部分，具体如下：

(1) 注册文件清单列示企业注册或备案发行债务融资工具应向交易商协会提交的书面材料。

(2) 信息披露表格列示的内文是对注册文件的最低信息披露要求，包括 M 表（募集说明书信息披露表）、G 表（发行公告信息披露表）、J 表（发行计划信息披露表）、C 表（财务报告信息披露表）、F 表（法律意见书信息披露表）、P 表（评级报告信息披露表）、Z 表（信用增进信息披露表），各表格以表格中文名称关键字拼音首字母进行命名。

M 表子表格包括 M1 表（涉及安全生产的信息披露表）、M2 表（涉及非标准无保函意见审计报告的信息披露表）、M3 表（涉及关联交易的信息披露表）、M4 表（涉及重大资产重组的信息披露表）、M5 表（涉及信用增进的信息披露表）等。P 表子表格包括 P1 表（信用评级报告信息披露表）、P2 表（信用增进机构评级报告信息披露表）、P3 表（信用评级机构信用评级报告信息披露表）、P4 表（财务报告信息披露表）等。Z 表子表格包括 Z1 表（信用增进信息信息披露表）等。

2. 企业、提供专业服务的中介机构及其经办人员应当依据法律法规、规范性文件和自律规则指引要求，顺序编制注册文件，发表专业意见，并对所出具的注册文件和意见承担相应法律责任。

(1) 会计师事务所应依据相关规定对发行人进行审计，并出具审计报告。

(2) 律师事务所应充分尽职调查的基础上，在法律意见书中对相关事项发表明确意见。

(3) 评级机构应依据《中国银行间市场信用评级指引》，《信用评级机构业务自律指引》等有关规定出具信用评级报告。

(4) 信用增进机构应依据《中国银行间市场信用增进业务自律指引》等有关规定出具信用增进文件。

5. 主承销商应按照本指引要求，确保文件清单和信息披露要求。

6. 主承销商应根据信用融资工具的实际需要，有选择地出具子表格；企业及相关中介机构应依据适用的子表格，进一步披露相关信息。

7. 企业应及时公布偿债计划及有关重大事项变动情况，企业应按照相关法律法规、自律规则要求及时公告。
### 二. 注册文件清单

(XX公司XX年XX期XX品种)

<table>
<thead>
<tr>
<th>序号</th>
<th>文件种类</th>
<th>选项</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y-1</td>
<td>营运报告</td>
<td>—— 附营业执照</td>
<td>—— 附公司章程及与其一致的有权机构决议 附涉及企业的股权说明（如有）</td>
</tr>
<tr>
<td>Y-2</td>
<td>担保品</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Y-3</td>
<td>募集说明书</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Y-4</td>
<td>发行公告</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Y-6</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Y-7</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Y-8</td>
<td>——</td>
<td>——</td>
<td>——</td>
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<tr>
<td>Y-9</td>
<td>——</td>
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<tr>
<td>Y-10</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
<tr>
<td>Y-11</td>
<td>——</td>
<td>——</td>
<td>——</td>
</tr>
</tbody>
</table>

### 说明:
1. 对于债券项目，只需报送企业及其信用增信机构（如有）最近一年度审计的财务报告和最近一期会计报表。对
   于SCP项目，企业如已发行所证券市场披露了有效的企业主体评级报告、近三年度审计的财务报告和
   最近一期会计报表，即可不重复报送。

### 三. 信息披露表单

<table>
<thead>
<tr>
<th>表格名称</th>
<th>表格名称</th>
<th>页码</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>企业信息披露基本情况</td>
<td>□</td>
<td>——</td>
</tr>
<tr>
<td>M.1</td>
<td>企业自2017年1月1日起至最近一期未发生生产安全事故或已按照国家和地方规定完成处理并取得行政许可或备案的生产经营活动</td>
<td>□</td>
<td>——</td>
</tr>
<tr>
<td>M.2</td>
<td>企业未被列入安全生产不良记录名单</td>
<td>□</td>
<td>——</td>
</tr>
<tr>
<td>M.3</td>
<td>企业无其他影响发行的违法违规行为</td>
<td>□</td>
<td>——</td>
</tr>
<tr>
<td>M.4</td>
<td>企业未发生重大财务重组</td>
<td>□</td>
<td>——</td>
</tr>
<tr>
<td>M.5</td>
<td>债券融资工具存在信用增信的，依据M.5表进一步披露信息</td>
<td>□</td>
<td>——</td>
</tr>
</tbody>
</table>

### 序号 | 信息披露要点 | 页码 | 备注 |
|—— | —— | —— | —— |
| M.0   | 基本信息 | □    | —— |
| M.0-1 | 具体发行条款 | □    | —— |

### 备注:
本期债券融资工具已在交易商协会注册，注册后不改变交易商协会对本期债务融资工具的资金投出任何评价，也
不必然代表交易商协会对本期债务融资工具的投资价值作出任何承诺。如有本期债务融资工具的投资风险，请详
阅读本募集说明书第四节有关事项的信息披露文件，对信息披露的真实性和准确性、完整性和及时性进行独立分析，并
自行承担投资决策风险。
<table>
<thead>
<tr>
<th>第二章风险提示及说明</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>投资风险</strong>——利率风险、流动性风险、信用风险。</td>
</tr>
<tr>
<td><strong>财务风险</strong>——主要是指企业资产结构和其他财务结构不合理、资产流动性差、债务规模扩张较快、未来资产支出大增等多个因素导致的不确定性，负债资产占比高、非经营性债务占比高，现金流中货币价值变化较大或有可能出现财务危机，重大会计科目变动速度较大等财务因素引起的风险。</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>第四章募集资金运用</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>募集资金用途</strong>——募集资金资金运用主体的名称、金额、用途等。</td>
</tr>
</tbody>
</table>
M-5-2

历史沿革——以主要实体的关键发展为主线，披露企业设立、变更、股权变动及近5年重大经营性交易活动。

M-5-3

企业控股股东的名称、曾用名、注册地址、法定代表人、主要股东、董事、监事及高级管理人员的姓名、住所、前任职单位等。

M-5-4

企业章程中规定的企业合并、分立、解散和清算等事项。

M-5-5

企业合并、分立、解散和清算等事项。

M-5-6

企业合并、分立、解散和清算等事项。

M-5-7

企业合并、分立、解散和清算等事项。

M-5-8

企业合并、分立、解散和清算等事项。

M-5-9

企业合并、分立、解散和清算等事项。

M-5-10

企业合并、分立、解散和清算等事项。

M-5-11

企业合并、分立、解散和清算等事项。
<table>
<thead>
<tr>
<th>问题</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-6-3</td>
<td>信息传递安排——信息披露的依规、披露时间、披露内容、披露形式等。</td>
</tr>
<tr>
<td>M-6-4</td>
<td>发行人的重大事项及其影响。</td>
</tr>
<tr>
<td>M-6-5</td>
<td>重大股权转让。</td>
</tr>
<tr>
<td>M-6-6</td>
<td>债务融资品种——债券发行的规模、期限、利率、担保方式及安排等。</td>
</tr>
<tr>
<td>M-6-7</td>
<td>企业的资质情况。</td>
</tr>
<tr>
<td>M-6-8</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-6-9</td>
<td>应披露的其他情况。</td>
</tr>
<tr>
<td>M-6-10</td>
<td>应披露的其他情况。</td>
</tr>
<tr>
<td>M-7-1</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-7-2</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-7-3</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-7-4</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-8-1</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-8-2</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-9-1</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-9-2</td>
<td>企业负债结构。</td>
</tr>
<tr>
<td>M-10</td>
<td>企业负债结构。</td>
</tr>
</tbody>
</table>
### M.1 表（涉及安全生产的信息披露表）

<table>
<thead>
<tr>
<th>序号</th>
<th>信息披露重点</th>
<th>页码</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.1-1</td>
<td>第二章风险提示及说明 &lt;br&gt;在M-2-2 中披露安全生产方面可能引起的风险，已发生的重大安全事故应披露事故情况。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.1-2</td>
<td>第五章企业基本情况 &lt;br&gt;在M-5-6 中披露安全生产方面控制制度及相关应急预案。 &lt;br&gt;在M-5-8 中披露安全生产管理方面具体措施及实施情况。 &lt;br&gt;在M-5-8 披露近三年及一期的安全生产检查记录：发生安</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>全生产事故的，披露安全生产事故基本情况，相关部门对事故原因及性质的认定，发行人对相关整改措施的落实以及后续检查验收情况等。</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### M.2 表（涉及非标准无保留意见审计报告的信息披露表）

<table>
<thead>
<tr>
<th>序号</th>
<th>原因</th>
<th>页码</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.2-1</td>
<td>在M-0-1 中提示：&quot;<strong>会计师事务所对本企业</strong> XXX年财务报告出具了 XXX（审计报告类型）的审计报告，请投资者注意阅读审计报告全文及相关财务报表附注，本企业对相关事项作详细说明。&quot;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.2-2</td>
<td>第六章企业主要财务状况 &lt;br&gt;在M-6-1 中提示审计报告类型为非标准无保留意见审计报告， &lt;br&gt;披露公司的财务状况，明确该事项对其影响的具体金额、 &lt;br&gt;当前的实施情况及后续解决安排。</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>第十四章附录</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### M.3 表（涉及关联交易的信息披露表）

<table>
<thead>
<tr>
<th>序号</th>
<th>信息披露重点</th>
<th>页码</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.3-1</td>
<td>第二章风险提示及说明 &lt;br&gt;在M-2-2 中披露关联交易风险。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.3-2</td>
<td>第五章企业基本情况 &lt;br&gt;在M-5-6 中披露关联交易制度的内容，包括但不限于定价原则、决策程序及决策机制。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.3-3</td>
<td>第六章企业主要财务状况 &lt;br&gt;在M-6-6 中进一步披露应收款账款、其他应收款账款及经营活动中因关联关系而形成的其他重要信息。</td>
<td></td>
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</table>

### M.4 表（涉及资产重组的信息披露表）

<table>
<thead>
<tr>
<th>序号</th>
<th>信息披露重点</th>
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<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.4-1</td>
<td>第二章风险提示及说明 &lt;br&gt;在M-2-1 中披露重大资产重组可能引起的相关风险。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.4-2</td>
<td>第五章企业基本情况 &lt;br&gt;在M-5-2 中披露资产重组方案，展示的阶段及已履行的法律程序，重组过程的合规性，对发行债券融资工具的主体资格及决议有效性的影响。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.4-3</td>
<td>第六章企业主要财务状况 &lt;br&gt;在M-6-1 中披露重组期间的财务状况。</td>
<td></td>
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### M.5 表（涉及重大资产重组的信息披露表）

<table>
<thead>
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<th>序号</th>
<th>信息披露重点</th>
<th>页码</th>
<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.5-1</td>
<td>第二章风险提示及说明 &lt;br&gt;在M-2-1 中披露重大资产重组可能引起的相关风险。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.5-2</td>
<td>第五章企业基本情况 &lt;br&gt;在M-5-2 中披露资产重组方案，展示的阶段及已履行的法律程序，重组过程的合规性，对发行债券融资工具的主体资格及决议有效性的影响。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.5-3</td>
<td>第六章企业主要财务状况 &lt;br&gt;在M-6-1 中披露重组期间的财务状况。</td>
<td></td>
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### M.5 表（涉及信用增信的信息披露表）

<table>
<thead>
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<th>序号</th>
<th>信息披露要点</th>
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<th>备注</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.5-1</td>
<td>第二章风险提示及说明</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>在 M-2-3 中披露特别风险——与本司债务融资工具信用增信相关的特别风险。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>M.5-2</td>
<td>第八章债务融资工具信用增信</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>在 M-8-1 中披露相关机构情况（一）—专业信用增信机构提供信用增信的，按中国银行间市场信用增信业务自律管理指引要求披露信息，由其他企业提供担保的，比照发行人进行信息披露。</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>在 M-8-1 中披露担保方式及担保协议内容—担保金额、担保期限、担保方式、担保范围、企业、担保人、债务融资工具持有人之间的权利义务关系，各方认为需要约定的其他事项。</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>在 M-8-1 中披露担保物的名称、金额（表面值及评估值）、金额与所发行债务融资工具的名义金额和本息金额之间的比例；担保物的评估、登记、保管和相关法律手续的办理情况 [如有]。</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>在 M-8-1 中披露保证人的类型或担保方发生重大变化时的持续披露安排。</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>在 M-8-1 中披露相关信用文件 [如有] 作参考查阅——采用抵（质）押担保的，提供抵（质）押的权属证明、资产评估报告及抵押合同的登记、保管、持续监督安排等方面的文件。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>备注</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### II. 非公开发行定向发行发行体系

#### 1. 使用说明

1. 《非公开发行定向发行发行体系》（以下简称《发行体系》）包括注册文件清单和信息确认表两部分，具体如下：

   （1）注册文件清单中载明发行非公开发行定向发行发行工具后应向交易所及协会提交的书面材料。

   （2）信息确认表列明的内务是针对注册文件的初版信息要求；包括 DX 表 1（公开发行定向发行协议表）、 DX 表 2（公开发行定向发行协议备查表）、DG（定向工具投资者确认函）、DF（定向工具法律意见书表）。

   （3）DX 表 2 附表 5 在当期发行时由发行机构填写并签署；于当期公开发行定向发行交易协会备案。除依据 DX 表 2 附表 5 的备案要求之外，且于公开发行时随附 DX 表 2 附表 5 交易协会备案。

2. 企业提供的专业服务的中介机构及其被信任人应按照有关法律法规、规范性文件和自律规则指引要求，逐项填写注册文件、发表专业意见，并对所有出具的注册文件和意见承担相应法律责任。

   （1）会计师事务所依据相关规定对企业进行审计，并出具审计报告。

   （2）律师事务所应充分披露律师的背景，在法律意见书中对相关事项发表具体意见。

   （3）主承销商应按公开要求，填写注册文件清单及信息确认表。

   （4）承销商应按以下要求填写表单：

      - 注册文件清单：应与注册文件清单表单一致，填写发行企业名称和全称，如“发行公司”对应的文件名称，对在该文件中所对应的“览表”列下打“√”。

      - 汇票：应与注册文件清单对应的文件名称及表单填写在“汇票”项下。

      - 备注：对于某些不适用的信息披露内容，应根据实际情况，在对应的“备注”项下进行说明。

      - 主承销商及相关责任人在备查；在确认注册文件清单、信息确认表填写完整且相应文件全部齐备的情况下，主承销商相关责任部门负责人、经办人员应分别在“主承销商及相关责任人在备查”中签署意见后签署名章。

      - 主承销商在注册文件清单中主承销商附表位置，应加盖主承销商相关责任部门公章。注册文件清单及
        信息确认表中若主承销商相关责任部门公章。
### 注册文件清单

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<td>——股东协议</td>
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<td>——公司章程</td>
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<td>——申请公司名称变更报告（如有）</td>
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<td></td>
<td>——申请公司名称变更执行决议（如有）</td>
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<td>推荐函</td>
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<td>——投资者风险提示</td>
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<td>——非公开发行基本情况情况（如有）</td>
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<td>定向工具投资者确认表</td>
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<td>近一年经审计的财务报告及母公司（如有）会计报表</td>
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<td>——非公开发行决议的文件和制度</td>
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<td>计表（如有）</td>
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<td>其他（如有）</td>
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<td>备注</td>
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### 信息要素表格

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<td>协议</td>
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<td>DX-0-3</td>
<td>投资人具有投资意向的文件</td>
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<td>DX-1</td>
<td>第一节 发行工具的发行与认购</td>
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<td>明确注册金额</td>
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<td>DX-1-2</td>
<td>发行工具的发行</td>
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<td>DX-1-3</td>
<td>投资人证券参与发行</td>
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<td>DX-2</td>
<td>第二节 募集资金用途</td>
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<td>募集资金用途</td>
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<td>DX-3</td>
<td>第三节 信息披露</td>
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<td>DX-3-1</td>
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</tbody>
</table>

**说明：**
1. 注册报告应按照“《填写说明》”填写，填写的基本信息与注册信息保持一致。
2. 推荐函中应列明相应情况，并附申请募集资金用途的批准文件；推荐函中应列明报告、注册协议等信息保持一致。
3. 经会计师事务所和承销商共同完成稽核报告；会计师事务所应提供审计报告，以及会计师事务所的审计意见。
4. 如使用了《非公开发行发行工具（参考文本）》，请在备注中说明。
### 第四条 投资人保护

**DX-4-1** 遵章守约。投资人应遵守本协议的约定，不得从事任何违反协议约定的行为，不得损害协议其他投资人的利益。

**DX-4-2** 投资人应定期向计划管理和托管人提交投资报告，报告应包括但不限于投资情况、投资收益、投资风险等内容。

**DX-4-3** 设立投资决策委员会，由投资人共同组成，负责计划的投资决策。

### 第五条 发行人的权利与义务

**DX-5-1** 权利——发行人在本协议下有权按照协议约定发行和管理计划，有权按照协议约定收取费用。

**DX-5-2** 义务——发行人在本协议下应按照协议约定发行和管理计划，妥善处理计划运作中的事务，保证计划的正常运作。

### 第六条 投资人的权利与义务

**DX-6-1** 权利——投资人有权按约定获得收益，有权参与计划的管理和决策。

**DX-6-2** 义务——投资人应按约定向计划投资，不得从事任何可能损害计划利益的行为。
二. DX.Z 项（涉及信用增信的定向发行协议要务表）

<table>
<thead>
<tr>
<th>序号</th>
<th>信息要素</th>
<th>页码</th>
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<tbody>
<tr>
<td>DX.Z-1</td>
<td>第十条 信用增信的安排</td>
<td>在 DX-10 中披露信用增信安排内容。</td>
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</tr>
<tr>
<td>DX.Z-2</td>
<td>副件一 风险提示及承诺</td>
<td>在 DX-1 中披露特别风险——与本期定向工具信用增信相关的特别风险。</td>
<td></td>
</tr>
<tr>
<td>DX.Z-3</td>
<td>副件三 信用增信机构基本情况</td>
<td>在 DX-4 中披露信用增信机构情况及其信息披露安排——由专业信用增信机构提供信用增信的，按照《中国银行业市场信用增信业务自律管理规定》要求披露信息；由其他企业提供担保的，比照发行人进行信息披露。</td>
<td></td>
</tr>
<tr>
<td>DX.Z-4</td>
<td>担保架构模式（如有）</td>
<td>第四条 发行人的权利和义务</td>
<td></td>
</tr>
<tr>
<td>DX.Z-5</td>
<td>第十条 定向工具信用增信</td>
<td>在 DX-5 中披露定向在发行人在其发行不超过各自债务融资工具与支付义务，将其参加本期定向工具信用增信的发行并不构成对其他发行人在本项义务的承担、承诺或担保。</td>
<td></td>
</tr>
</tbody>
</table>

备注

在 DX-10 中披露区域债券模式的基本情况。
### 3.DQ 表（定向工具投资人确认函）

**定向工具投资人确认函**

【示范样本】

中国银行间市场交易商协会；

我们确认如下事项：

1. 该机构名称：
   （发行人名称）

2. 该机构名称：
   （本期定向工具全称）。

ii. 我机构了解该定向工具的投资风险，有能力并愿意承担该定向工具的全部投资风险。

iii. 我机构自愿接受中国银行间市场交易商协会自律管理，履行会员义务。

特此函告。

__________________________ [投资人机构名称]

__________________________ [ 投资人机构名称]

年 月 日

表中：

<table>
<thead>
<tr>
<th>序号</th>
<th>信息要素</th>
<th>页码</th>
<th>备注</th>
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<tbody>
<tr>
<td>DF-0</td>
<td>应声明的事项</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DF-0-1</td>
<td>依据《中华人民共和国公司法》、《非金融企业债务融资工具管理办法》（中国人民银行于2008年第六号）等法律法规和规范性文件，按照交易商协会及自律管理的业务标准、道德规范和职业操守精神出具法律意见书。</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DF-0-2</td>
<td>承诺依照本法律意见书出具日以前及发生前存在的事实和情况，严格遵守法律、法规和政策指引发布法律意见书；已详细履行法律程序，遵循勤勉尽责和诚实信用原则，对此定向工具注册发行的合法合规性进行了充分的尽职调查，保证法律意见书不存在虚假记载、误导性陈述及重大遗漏。</td>
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<td>DF-0-3</td>
<td>同意将法律意见书作为定向工具注册发行的法律文件，随同其他材料一同报审，作为报审文件的法律文件。</td>
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<td>DF-0-4</td>
<td>确保发出真实有效声明，但不做出在法律允许范围内的业务标准、道德规范和职业操守精神的免责声明。</td>
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<tr>
<td>DF-1</td>
<td>一、发行主体</td>
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<tr>
<td>DF-1-1</td>
<td>是否具有法人资格。</td>
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<tr>
<td>DF-1-2</td>
<td>是否为金融机构。</td>
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<tr>
<td>DF-1-3</td>
<td>是否为交易商协会会员。</td>
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<tr>
<td>DF-1-4</td>
<td>是否符合法律所规定的条件。</td>
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<td>DF-1-5</td>
<td>是否存在影响发行的有效性。</td>
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<tr>
<td>DF-2</td>
<td>二、发行程序</td>
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<tr>
<td>DF-2-1</td>
<td>内部决策——有权机构是否已依法定程序作出发行债务融资工具的决议，决议的内容与程序是否合法合规。如决议机构是通过授权取得决议权的，所持对授权范围、程序是否合法合规出具认定。</td>
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<tr>
<td>DF-3</td>
<td>三、发行文件及发行服务机构</td>
<td></td>
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<tr>
<td>DF-3-1</td>
<td>证券公司——定向发行是否合法有效。</td>
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<tr>
<td>DF-3-2</td>
<td>法律意见书——出具法律意见书的律师事务所及律师是否具备相关资质，是否与发行人存在关联关系。</td>
<td></td>
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</tbody>
</table>
### 3. 草案建档的一般流程

#### 3.1 发行流程图

#### 3.1.1 公开招标发行流程图

- 领取发行批准文件
- 开立债券发行账户
- 公告招标
- 招标
- 上市流通

#### 1.1.2 招标建档发行流程图

- 领取注册通知表
- 挂网通告
- 公告簿记区间
- 簿记建档
- 布告
- 上市流通

### 4. 与本次发行有关的重大法律事项及潜在法津风险

#### 4.1 业务运营情况——经营范围、业务是否合法合规，符合国家相关政策；近三年内是否发生安全生产、环境保护、产品质量、纳税等重大处罚。如有关联交易，需进行披露。

#### 4.2 信用增信情况（如有）——说明信用增信机构资质、信用增信协议是否合法有效，信用增信收益是否合法有效，债务融资工具是否独立核算。

#### 4.3 重大法律事项及潜在法律风险

#### 4.4 其他事项

#### 5. 总体结论性意见

- 律师应对发行人注册发行文件的合法性、合规性、真实性进行审核并出具法律意见书。
- 至少由两名律师审核并签署。

### 备注
1.2.2 招标发行操作流程

1.2.5 公告招标结果

在招标发行结束后，发行人应在收票日内通知交易商，发行结果应当公开透明。招标结果应包括发行价格、发行数量和中标利率。而实际发行利率由最终招标价格决定，包括招标结果和招标中标明细。

1.3 招标发行操作流程

1.3.1 招标服务协议及公告发布流程

发行人在招标发行后，首先在交易商数据库中公开招标结果，并在招标结果公布后一个工作日内通知交易商。

1.3.2 发行时间安排

发行人在招标发行后，应按照《发行文件》中的时间安排进行发行。在发行日，发行人应在交易商数据库中公布招标结果，并在招标结果公布后一个工作日内通知交易商。

1.3.3 招标信息披露

在招标发行前，发行人应按照相关要求在交易商数据库中公开招标信息，包括招标价格、发行数量和中标利率。并应在招标结果公布后一个工作日内通知交易商。

1.3.4 招标文件

企业应通过公开招标方式确定招标文件发布平台，发布招标文件，并在招标文件发布后一个工作日内通知交易商。
1.3.5 调价与簿记建档流程

（1）确定发行价格

发行材料公告后，发行人和主承销商结合发行人总体市场情况，综合考虑市场利率、债券情况稳定发行利率区间，并签署簿记建档利率（价格）区间确认书。

（2）公告并发送申购要约

发行前一日，主承销商应向承销团成员发送申购说明，并将申购说明向市场进行公告。申购说明的主要内容包括申报本期债券的重要提示、本期债券的主要条款、本期债券的申购数量、申购时间、申购程序、本期债券的配售与缴款、簿记管理人的联系方式和指定簿记账户等信息。

1.3.6 配售与缴款流程

簿记建档发行，承销团成员在约定时间向簿记管理人提交加盖公章的申购申请表。在约定时间以外所作的任何形式均将被承销商视为无效。簿记管理人在发行日约定时间向获得配售的承销商发出“缴款通知书”，通知其按承销协议承诺的自营或承销金额数量及通过簿记建档确定的发行利率。

1.3.7 分销与上市交易流程

簿记管理人根据债务融资工具分销商的承诺书或承诺函，安排承销商成员进行协议分销。分销商自簿记建档日至缴款截止日期，承销商成员对承销商以外机构的任何配售必须按照协议分销的形式在此期间完成。缴款完成的次一工作日，该债务即可在银行间市场上市交易。

1.4 非公开定向发行操作规程

1.4.1 簿记协议发行与投资者确认流程

簿记管理人在发行阶段与投资者签订的簿记簿记协议书和投资者确认书，确认双方的权利与义务。签署了上述文件的投资者在定向工具发行时才能购买并参与上市后的交易流通。

1.4.2 发行启动流程

簿记管理人根据债券市场整体和本期定向工具的询价情况，灵活确定发行时间窗口。与公开发行不同之处在于发行工具无固定询价时间，发行前一日，簿记管理人向签署了定向发行协议和投资者确认函的投资者发送申购说明，申购说明的主要内容包括申请本期债券的申购提示、本期债券的主要条款、本期债券的申购利率区间、申购时间、申购程序、本期债券的配售与缴款、簿记管理人的联系方式和指定簿记账户等信息。

1.4.3 簿记建档、缴款与分销

定向工具的簿记建档、缴款与分销流程与公开发行的债务融资工具一样，簿记管理人定向发行不需采用公开招标和变相公开方式。定向发行相关当事人及工作人员在定向发行过程中不得有虚假或配合实施不正当利益输送行为。
I. Introduction

In the 2014 UK-China Economic and Financial Dialogue, Vice-Premier Ma Kai and Chancellor of the Exchequer George Osborne agreed that further cooperation between UK and Chinese financial market participants would benefit the development of capital markets, and welcomed the creation of a private sector working group chaired by the International Capital Market Association (ICMA) and the National Association of Financial Market Institutional Investors of China (NAFMII).

The working group has brought together experts from financial institutions in China and London to share expertise on processes, practices, and the associated market infrastructure. Both ICMA and NAFMII acknowledge the important contributions of other financial institutions in the drafting and review of this report.

This first report by the working group is intended to give policymakers and market practitioners a useful outline of the way in which bonds are sold through the primary capital markets in both the cross-border international debt market and the onshore Chinese interbank bond market.

The analysis in this report covers bond issuances in two significant market segments:

- the international investment grade public markets (with their prevailing European-style bookbuilt syndications except where otherwise stated); and
- the Chinese onshore interbank market, which is China’s over-the-counter market, and accounts for more than 90% of the total onshore market by new issuance and trading volume. This report does not attempt to cover the full range of bonds and other debt securities issued in markets across the globe. In particular, this report does not cover purely local bond markets, and does not cover international bonds issued to investors in the United States.

This report and its contents do not constitute an official or definitive statement on current regulation or market practices. This report is based on feedback from various market practitioners obtained with the assistance of several ICMA and NAFMII members.

The ICMA-NAFMII working group will continue to explore ways in which common market practices can help to make the debt markets more efficient, resilient, and well-governed. ICMA and NAFMII welcome further input to inform its continued work and improve practices internationally.
II. Executive Summary

The debt capital markets have long played a role in providing stable financing in the public and private sectors. At a time when banks are restricting lending, they enable companies to access funding and to deliver efficient returns to investors. Transferable debt securities are one of a range of means, alongside equity share capital, bank lending, and other methods, by which companies fund their business needs and their expansion. The bond markets are also important to governments to maintain sustainable and balanced growth, fund infrastructure projects, and respond to climate change.

International bond offerings must take into account various statutes, regulations, and court rulings from the European Union, United States and other jurisdictions that may relate to the issuer, underwriters, eventual investors, and any exchange/listing venues. At the same time, over the last few decades a significant body of market practice has evolved to enable more efficient transactions. The Chinese interbank bond market, which has developed more quickly and recently, is governed by more detailed rules; however these rules continue to evolve, taking into account the local characteristics of the Chinese capital markets while influenced and informed by practices in other global markets.

This report is focused on processes and practices in the debt primary markets — i.e., the market in which bonds are initially offered to investors before they begin to trade freely among investors and dealers in the secondary market.

The analysis covers three important aspects of the way bonds are issued in the international and Chinese bond markets: due diligence, disclosure, and book building.

Due diligence
Due diligence is the process of identifying, processing and validating information about the issuer provided to investors to make informed investment decision.

In Chinese and international bond markets, due diligence is an essential part of the offering process. Due diligence, in practice, is a survey of the issuer to ensure the accuracy and completeness of disclosure to investors. Due diligence can cover all topics relevant to a decision to invest in the issuer’s bonds, including the issuer’s legal and financial status, business operations, management, and strategy.

In terms of market practice, there are no major differences in terms of the subject matter covered by due diligence in the international and Chinese capital markets. In both markets, due diligence is fundamentally a process designed to give investors all information needed to make an informed investment decision. In the international market, due diligence is also an important tool to avoid issuers’ and lead managers’ potential reputational damage and civil liability for any resulting losses to investors, while the Chinese system has until recently been based more on principles of investor protection and symmetric information. One notable difference in practice is that ongoing due diligence is explicitly required in China, while in the international market the due diligence effectively ends when investors receive the bonds in the primary market.

Disclosure
The international and onshore Chinese bond markets both operate under "disclosure-based" principles which place importance on transparency and information to enable investors to make informed investment decisions.

Disclosure in the prospectus mirrors to a large extent information gathered in the due diligence process, but will also usually contain a separate section on risk factors, as well as details about the particular terms and conditions of the bond and relevant offer terms.

International issuances generally require more detailed disclosure of the terms and conditions of the bond and the rights of investors than Chinese issuances, while Chinese issuances require more detailed disclosure of the use of proceeds. Some other specific aspects of disclosure, such as disclosure relating to controlling entities, related parties, work safety, and state secrets, are somewhat different between the international and Chinese markets due to broader principles of Chinese/PRC national policy.

Also, the Chinese and international markets differ somewhat in terms of the specific representations and warranties required from each party with respect to the accuracy and completeness of the prospectus, as well as the potential respective levels of liability.
**Book building**

In a bond offering, “book building” is the process by which an underwriter seeks to gather demand from investors and conduct price discovery.

Generally, primary debt issuance in the international market features a shorter book building process than in China and fewer restrictions on the flow of information, subject to the general legal framework on insider information.

In the Chinese market, issuers are not involved in the core book building procedure, whereas in international markets, the issuer may be much more involved in the ongoing allocation and pricing discussions with the bookrunners.

Another major difference is that in the Chinese market, the book building process is more akin to a mechanical auction process, whereas in the international market the allocation and pricing depends more on the subtle conditions of the market and the professional experience and judgment of syndicate managers.

**Recommendations**

The key recommendations resulting from the comparative analysis of primary market practices are:

- Drawing on international law and market practice, consider the adoption of different levels of required disclosure in the Chinese market to take into account different types of investors (institutional and retail) and different types of issuers (seasoned and infrequent).
- Promote further development of due diligence procedures in the Chinese market, in particular drawing upon the specific areas of expertise of the various parties involved in the bond offering process.
- Further optimise and streamline the book building process in China, while also considering ways to enhance transparency in the international book building process based on current practices and lessons learned in the Chinese market.
III. Overview of international offshore and Chinese onshore markets

Types of bond offerings
By way of background, offerings of debt securities may be public or private, involving a single bank or syndicated among several banks, auctioned or underwritten (on a bookbuilt or retention basis) and done off a multi-issuance platform (such as an MTN programme) or on a standalone basis. Offerings may also be categorised according to size (including whether benchmark or not), issuer and/or investor geographical location (including domestic, foreign, international and also emerging market), bond structure (vanilla, asset-backed, covered) and term (commercial paper, note, bond) and issuer credit status (investment grade, high yield). Individual permutations of the above may involve differing laws, regulations, infrastructures and market practices.

Applicable law
In the international markets, a number of national and regional laws may be relevant to a single transaction depending, among other factors, on the domicile of the issuer and the distribution of the bonds. For example, issuers into Europe may have to comply with European Union disclosure requirements and regulations designed to prevent market abuse. Underwriters and other parties will have to pay attention to insider trading cases under the common law of England and local jurisdictions. Securities exchanges may have additional requirements for listed bonds. Finally, the contracts of international bond offerings (other than those issued into the United States) will generally be governed by English law or another established common law such as Hong Kong law or Singapore law.

International bond offerings will have to take into account United States securities laws, either to allow distribution into the United States or to ensure an exemption from U.S. registration requirements. In particular, Regulation S is a safe harbour from U.S. registration requirements for offers and sales of securities made outside the United States and/or to non-U.S. persons; Rule 144A is an exemption from U.S. registration requirements for offers and sales of securities to qualified institutional buyers.

The bond markets in China are younger than the international bond markets and have developed more quickly. The rules governing Chinese bond issuance are generally more detailed compared to the international markets, which are more driven by convention and established good practices.

In China, the onshore bond market is governed by a combination of civil law and socialist law. The most important law for issuers is the Company Law, promulgated by the State Council, which governs the establishment and operation of Chinese corporations generally. In the interbank bond market, NAFMII has authority to issue more detailed rules on issuance procedure, allocation, and disclosure.

Parties
Every bond issuance features a core set of parties involved, though sometimes the same entity may take on more than one role. The key parties involved in international and Chinese offerings are as follows:

- **Issuer**: The entity that raises capital by issuing bonds. An issuer in the international and Chinese markets may be a financial institution, a non-financial corporate, or a government entity.

- **Guarantor**: Though not present in every transaction, many bond offerings include a guarantor to enhance the credit of the bond. A guarantor may be an affiliate of the issuer, or may also be a third party, such as a development bank, with a mandate to provide credit support for certain types of bonds. Because the guarantor will usually have obligations similar to that of the issuer under a bond offering, many aspects of the transaction relevant to an issuer (such as description in an offering circular, warranties and provision of auditors’ comfort letters) will apply equally to a guarantor.

- **Lead manager**: A bank mandated by the issuer to carry out the transaction. In both the international and Chinese markets (with the exception of retention or privately placed deals), the lead manager will also be a “bookrunner”, that is, a bank which arranges the allocation of the bonds to investors. In the international market, several joint lead managers and joint bookrunners are appointed for any given large public transaction and comprise what is known as the syndicate. In China, usually one or two lead managers are appointed for each bond transaction with the exception of Short Commercial Papers which involves several
joint lead managers. Only one lead manager for each transaction is taking a leading role and acting as bookrunner.

- **Co-managers:** Banks in the syndicate who are not bookrunners are most frequently referred to as co-managers. In the international markets, the lead manager and co-managers either jointly and severally or severally but not jointly agree to subscribe to the bonds as initial purchasers, thus “underwriting” the bond issuance and ensuring that the issuer will raise the proceeds intended (with lead managers underwriting a larger share). In practice, the main value of the lead manager is to find investor bids; underwriters typically only take the economic risk of an investor pulling out of a transaction in the final couple of days or so before closing of the transaction. In China, co-managers are effectively hired by lead manager on behalf of the issuer and promise to purchase any portion of a bond issuance not fully subscribed by investors.

- **Investors:** Most bond investors in the international market are professional investors such as investment funds, pension funds and insurance companies, though bonds in the international market may also be offered and sold to individual retail investors in some cases. Major investors in the China interbank market are the banks themselves, insurance companies, securities firms, and asset management companies.

- **Lawyers:** In the international bond market, it is most common to have at least two law firms involved in each transaction – one representing the lead manager and other banks, and the other representing the issuer. These are usually firms practicing English or New York law, consistent with the most common governing law of internationally distributed bonds and the related contracts. Lawyers for the lead manager prepare the legal documentation, draft the various contracts and provide a legal opinion as to the validity of the bonds and other matters. The issuer’s disclosure document is usually prepared by the issuer’s lawyers, but lead manager’s counsel will also contribute certain sections and be closely involved in the drafting. Depending on where the issuer is incorporated, additional counsel may be appointed to advise on relevant matters of local law.

  In China, usually only one outside law firm is hired by the issuer as deal counsel to manage all legal aspects of the transaction on behalf of the issuer and lead manager. Only licensed Chinese law firms may practice in the Chinese interbank market.

- **Auditors:** In the international market, the main function of the issuers’ auditors is to provide “comfort letters” to the managers. The comfort letter confirms the accuracy of the issuer’s financial statements (with any material exceptions) and confirms no material adverse change in the financial condition of the issuer since its last audited accounts.

  In China, auditors are only responsible for preparing audit reports in connection with the bond offering and are not expected to provide comfort letters to the lead manager.

- **Clearing systems:** These are large institutions through which investors hold their interests in bonds, allowing trading by electronic book-entry rather than physical movement of securities.

  Typically Euroclear and Clearstream are the clearing systems in international markets; Shanghai Clearing House serves this function in China.

International transactions also feature either a trustee or fiscal agency structure. In China, the functions of the roles of the trustee or fiscal and paying agents are instead generally covered by the lead manager and relevant clearing house.

- **Trustee:** In the international bond context, a trustee is a professional corporation which represents the interests of bondholders during the life of the issue. The trustee is empowered to act on investors’ behalf which allows them to make decisions in relation to enforcement actions or make simple technical changes to the documentation where it would not materially prejudice the investors. However, not all international bond offerings feature a trust structure. In bond issuances without a trustee, the investors will have a contractual relationship with the issuer directly and may seek to enforce their rights directly rather than through a trustee.

- **Fiscal agents / paying agents:** Banks which make payments on the bonds to investors on behalf of the issuer and, in the case of a fiscal agent, execute the administrative-only tasks that would fall to the trustee in a trust structure.
The bond issuance process

The following overview of the bond issuance process highlights some of the main features of transactions common to both the international and the Chinese interbank market.

Each bond issuance will start with the grant of a mandate by the issuer to the lead managers to arrange the transaction. The general terms of the mandate are agreed between the issuer and the lead managers at an early stage. Matters agreed early in the process include targeted key commercial terms such as currency, size, tenor/maturity, price range, credit structure (for example, existence of a guarantee), and intended distribution to investors.

Preparation and negotiation of bond documentation

During the process of preparing to go to market, the lead managers work closely with the issuer and the external legal counsels appointed on the transaction in order to negotiate and finalise the underlying contractual documentation for the transaction:

1. **Prospectus / Offering Circular / Offering Memorandum:** The main disclosure document prepared by the issuer and its counsel for distribution to investors. It forms the issuer's main contribution to the investor's investment decision. It includes information about the issuer as well as the terms and conditions of the bonds. Properly diligenced, the prospectus is an important tool to prevent investors from claiming they were not given all material information about the bonds or that they were misled. In European markets, the document is primarily the responsibility of the issuer in relation to accuracy and completeness and from a liability perspective.

2. **Subscription Agreement:** The agreement under which the syndicate of banks (the "managers") agree to subscribe and pay for the bonds from the issuer and the issuer agrees to issue them. The agreement contains representations and warranties by the issuer (and guarantor, where applicable) to the managers as to the validity of the transaction, the accuracy of the prospectus and the general condition of the issuer and the guarantor. It will set out a number of conditions precedent to the managers' obligation to pay for the bonds, such as the provision of letters from auditors, external legal opinions and any documentation required from the issuer. It will contain an indemnity clause, indemnifying the managers against any cost or expense they incur in connection with the issue and will set out selling restrictions which seek to ensure that the managers conduct the offer in such a way as not to require any public registration or other filings.

3. **Trust deed (where a trustee structure is being used)** - the trust deed will constitute the bonds and regulate the relationship of the issuer and the trustee and, in turn, the trustee's relationship with the bondholders.

4. **Agency agreement** - a mechanical document which provides for the appointment of the banks who handle payments due to investors against presentation and surrender of their bonds or coupons and, in the case of a fiscal agent, provides for the administrative-only tasks that would fall to the trustee in a trust structure.

5. **Global Bond** - sets out the detailed terms and conditions of the investment.

Ahead of proceeding with marketing the particular transaction, the lead managers, the issuer, the external lawyers and other relevant agents will have agreed the form of the key legal documents. Once pricing has been completed, these documents are updated with the final details, circulated for approval and then executed by all parties.

**Due diligence**

Due diligence is, in essence, the process undertaken by underwriters, with the assistance of various professional parties, such as industry experts, lawyers and auditors, with the goal of having no material misstatement or omission in the offering document that investors use to make an informed decision to invest in the securities or not. In China, due diligence is provided by various parties to the transaction such as lawyers and auditors according to specific rules set out by self-regulatory guidelines.

In the international markets, the levels of due diligence applied in connection with an issuance are extremely variable and depend on a number of factors including but not limited to the issuer's track record in the securities markets and credit profile, the intended investor base, and market conventions and practices. In the Chinese market, the
rules governing due diligence are more precise and consistent across the range of issuers and transactions.

**Announcement and roadshow**
In the international market, an announcement of the transaction typically follows completion of any initial due diligence and drafting of all material documentation. A roadshow, where individual or group meetings or calls take place between investors and the issuer, will usually occur at this point for debut and infrequent issuers. It is worth noting that though information in relation to the issuer’s business and the potential transaction is usually presented at these meetings, no hard copy of any presentation is left with investors to emphasise that it is the formal offering documents (i.e., the prospectus) which investors can rely on for their decision on whether or not to invest in the bonds.

**Launch and disclosure of terms**
In the international market, the common practice is for the lead managers to release skeleton details of the proposed issuance to the market via Bloomberg or a similar screen communication platform. The issuer may then, either directly or through their lead managers, invite other financial institutions to participate in the issuance as a co-manager. Relations between the managers may be governed by a standard form agreement among managers.

**Book building and pricing**
In the international market, the active bookrunners manage the process of “book building” – generating, capturing and recording investor demand for the bonds (though other managers can also submit investor orders). In consultation with the issuer, the bookrunners will determine the final pricing terms for the issuance and the allocation of bonds to investors. In the international context, the book building process is not explicitly governed by many rules and regulations, and the banks in the syndicate rely more on professional judgment and experience as well as commonly accepted practices that have evolved in the market to balance the interests of the issuer, the investors, and the managers. In China, the book building process is a more tightly controlled auction-style process, governed by NAFMII rules, with an aim to ensure transparency and fairness to investors.

**Closing - issue of the bonds**
In preparation for closing, the lead managers will liaise with the various parties to the transaction in order to finalise the arrangements for the distribution of bonds and flow of funds. Once the lead managers are satisfied that all conditions precedent to the issuance have been met they will then instruct the common depositary, against delivery of the executed and authenticated global bond, to transfer the net subscription monies to a designated account of the issuer and to request that the clearing systems credit the bonds to the allocated accounts.

It is worth noting that in the international market, the syndicate may appoint stabilising managers (from among the lead managers) who may seek to maintain relative stability in the price of the newly issued bond after it becomes free to trade. There is currently no stabilisation in the Chinese interbank market.
IV. Comparison of international offshore and Chinese onshore primary market practices

A. Summary

The comparison and analysis in this part of the report covers three important aspects of the primary markets common to the international and Chinese markets: due diligence, disclosure, and book building.

While most of the important principles and procedures are similar between the two markets, it is worthwhile to briefly highlight some of the most important differences.

Due diligence

- In the international markets, due diligence is fundamentally a process undertaken by underwriters, with the assistance of various professional parties, such as industry experts, lawyers and auditors, with the goal of having no material misstatement or omission in the offering document that investors use to make an informed decision to invest in the securities or not. Depending on the statutory regime of the jurisdiction, due diligence may be a defence available to underwriters for underwriter liability should it be adjudicated that there was a material misstatement or omission in the offering document on which the investor relied, while the Chinese system have been based on principles of investor protection and symmetric information. However, the motivations for due diligence in the Chinese markets have recently developed to become more consistent with those of the international markets.

- Due diligence in the international markets has evolved over decades based mainly on market practice; due diligence in China is governed by more detailed and comprehensive regulatory guidelines.

- Ongoing due diligence required in China, while due diligence requirement ends at closing in the international markets.

Disclosure

- Various managers of the issuer make different representations and warranties about the accuracy and completeness of the prospectus, and have different potential levels of liability.

- Chinese issuances require more detailed disclosure of the use of proceeds.

- International issuances generally require more detailed disclosure of the terms and conditions of the bond and the rights of investors.

- Some other specific aspects of disclosure, such as disclosure relating to controlling entities, related parties, work safety, and state secrets, are somewhat different between international and Chinese markets due to broader principles of national policy.

Book building

- In the Chinese market, issuers are not involved in the core book building procedure, whereas in international markets, the issuer may be much more involved in the ongoing allocation and pricing discussions with the bookrunners.

- In the Chinese market, the book building process is more akin to a transparent and mechanical auction process, whereas in the international market the allocation and pricing depends more on the subtle conditions of the market and the professional experience and judgment of syndicate managers.
**B. Due diligence**

**What is due diligence?**
Due diligence is the process of identifying, processing and validating information about the issuer required for investors to make a reasonable investment decision.

In Chinese and international bond markets, due diligence is an essential part of the offering process. Due diligence, in practice, is a thorough survey of the issuer to ensure the accuracy and completeness of disclosure to investors. Topics covered by due diligence are all those relevant to a decision to invest in the issuer’s bonds – including the legal and financial status of the issuer, business operations, management, and strategy.

Effective due diligence is the foundation for the preparation of bond issuance documents and for accurate information disclosure at the issuance stage. In reality, issuers are required to disclose all information required for investors to evaluate and judge the various risks associated with the bonds.

In terms of market practice, there are no major differences in the scope of due diligence between the international capital market and China’s interbank bond market.

However, some differences exist in the practical operation of due diligence, based on differences in market development, legal environment, and financial supervision.

**Applicable law and guidelines**
In the international markets, there is no statutory law (of England, the EU, the United States, or otherwise) to mandate the scope or methods of the due diligence which should be undertaken. In the US, there is considerable case law as well as guidance from the Securities and Exchange Commission on the subject. Due diligence is in part based upon rules regarding liability for negligent misstatements.

As a result, due diligence in the international capital markets is principally a matter of practice which will vary considerably based on the different type of offering, the nature and the geographic location of the issuer as well as the range and type of investors. Each underwriter will also have its own internal practices and requirements with respect to due diligence.

In this respect, the ICMA Primary Market Handbook sets out Recommendation R3.3 and item 3.4 on due diligence:

> “R3.3 The appropriate level of due diligence to be performed in the context of each issue should be considered carefully.

> 4.3 It is impossible to prescribe whether or what due diligence procedures would be appropriate in the circumstances of each issue, and procedures will vary greatly from issue to issue (depending, for example, on the type of securities being issued, the rights attached to those securities and the nature of the issuer and its business).”


NAFMII’s Due Diligence Guidelines govern the due diligence of lead underwriters in the interbank bond market. They cover the definition of due diligence, working requirements, due diligence methods, due diligence report, ongoing and transaction-related due diligence, bring-down due diligence and other aspects.
Why due diligence? Perspectives of the international and Chinese markets

Due diligence is mainly designed to ensure: (1) the information on all material matters in the prospectus is accurate; (2) the prospectus does not omit any important fact necessary for potential investors to make a reasonably informed decision about the issuer’s credit.

The main functions of due diligence in the international and Chinese market are generally the same. However, there are some more subtle differences in emphasis and priority. In the international capital market, due diligence is fundamentally undertaken to protect investors from receiving and relying on false or misleading information and avoid issuers’ and lead managers’ potential reputational damage and civil liability for any resulting losses to investors. In the international context, the underwriter wants to ensure not only that he information on all the material matters in the prospectus is accurate (this process is usually called “review inspection”), but also that the prospectus does not omit any important fact, that is, to ensure correct disclosure of all important information.

China’s interbank bond market emphasises the role of due diligence in mitigating asymmetric information and strengthening risk disclosure to investors. The Chinese practices also stress the role of due diligence in promoting more accurate and market-based pricing of debt financing instruments by transmitting authentic and reliable information. Also, due diligence by the lead underwriter will guide the general direction for due diligence by other intermediaries and provide an overall reference for the collective investigation into the issuer.

The international and Chinese approaches are two sides of the same coin. In the international context, the liability standard should result in full material information being provided to investors; conversely, in the Chinese markets a failure to provide adequate and accurate information may result in liability for those responsible for due diligence.

Roles of the parties in due diligence

As far as the contents of due diligence are concerned, there are no major differences between the international market and the Chinese market in the areas of information about the issuer to be investigated. However, when it comes to the entities and specific roles of due diligence, there are some differences.

In the international market, the underwriter and its lawyer will manage the entire due diligence process, but with an emphasis on business due diligence (and, to a lesser extent, financial due diligence). Actual procedures vary from one issuer to another, but almost all the public bond issues will include the comfort letter issued by the issuer’s auditor as part of the financial due diligence and one or more legal opinions from the legal advisor as part of the legal due diligence.

In China, the due diligence by the lead underwriter constitutes the foundation of the due diligence on issuer. The lawyer and the auditor are also key members of the due diligence team. The lead underwriter will normally coordinate the independent professional opinions of the lawyer and the auditor with respect to due diligence to arrive at a collective view on the scope and validity of due diligence.

China: Due diligence by lead underwriter

Due diligence by the lead underwriter constitutes the foundation of due diligence for the debt financing instrument. Compared to due diligence by other intermediaries, due diligence by the lead underwriter covers the broadest scope.

It is intended to perform prudential review of the authenticity, accuracy and integrity of the registration document for the debt financing instrument, ensure the information disclosure quality of the debt financing instrument issuance, and provide the foundation for the lead underwriter’s expression of the recommendation opinion on the debt financing instrument issued by the issuer.

The core significance of due diligence by the lead underwriter is to mitigate the asymmetric information of the debt financing instrument and increase market efficiency.

Specifically, the functions include mitigating the asymmetric information between investors and the issuer to promote reasonable pricing of the debt financing instrument and reduce the market operation cost; mitigating the
asymmetric information between the NAFMII and the issuer to enhance the efficiency of self-regulatory management and reduce the self-regulatory management cost; exploring the investment highlight of the issuer, promoting the issuer to improve the capacity for information disclosure and compliant operation and assisting the issuer to reduce the financing cost; reducing the supervisory risk, underwriting risk and reputational risk faced by the lead underwriter; and guiding the general direction for due diligence by other intermediaries and providing an overall reference for the latter.

Due diligence by auditor
In the international capital market, the auditor of the issuer will review and validate in detail the financial statements of the issuer and all the financial information disclosed by the issuer in the prospectus, and send a letter of comfort. The letter of comfort records the procedure and result of the auditor. Though different, the procedures usually include reviewing the accounts after the financial report for the previous fiscal year, and discussing relevant negative conclusions and negative changes incurred but not covered in the financial report.

In the Chinese market, the auditor will not be expected to issue a letter of comfort to the underwriter. However, in other aspects the role of the auditor is similar to that in the international market. The auditor will complete a validation of financial information disclosure, and the issuer will provide audited financial reports. An auditor may also issue special opinions on material or doubtful financial treatment issues, if any, and these opinions will be quoted in the prospectus.

Due diligence by lawyer
In China's interbank bond market, the lead underwriter helps the issuer prepare the prospectus of the debt financing instrument, and the responsibility of the issuer's lawyer is mainly to issue a letter of legal opinion on the issuance of the debt financing instrument, with the fundamental function of establishing a legitimate contractual credit relation between the issuer and investors of the debt financing instrument. Therefore, due diligence of the issuer's lawyer mainly focuses on the matters involved in the letter of legal opinion.

In the international market, the issuer must show the capacity to issue securities (for example, its registration document does not forbid securities issuance). The underwriter and the lawyer shall also ensure the debt issuance document is duly authorised by the issuer, and is legitimate, valid, binding and enforceable. Information on the issuer is obtained from the due diligence questionnaire completed by the issuer. The questionnaire can require the issuer to provide duplicates of relevant documents or respond at the due diligence discussion. The interview with the management of the issuer can be an important part of the legal (as well as business) due diligence.

In the international markets, the lawyers for the bond issuer will express legal opinions on the legality of the bonds. Distinctly from any issuer counsel opinion, lead manager counsel may also provide a legal opinion. Lawyers for both the issuer and the underwriter will also assist the issuer to prepare or review bond issuance documents, especially the prospectus. The lawyers of both the issuer and lead managers normally negotiate and determine the scope of legal due diligence. The prospectus is mainly drafted by the lawyers, but the underwriters ultimately manage the due diligence process.

In the Chinese market, the lead underwriter helps the issuer prepare the prospectus for the bond, and the responsibility of the issuer's lawyer is mainly to issue a letter of legal opinion on the issuance of the bond. The due diligence of the issuer's lawyer mainly focuses on the matters involved in the letter of legal opinion.

Other procedures may include that the lawyer reviews major business contracts and other important corporate documents of the issuer, survey key facilities of the issuer on the site and attend meetings with important third parties, such as supervisory authorities, suppliers, customers or banks.

Process of due diligence
The procedure and extent of due diligence depend on the issuer's business nature, type of the issued bonds, bond investor type and issuance place. A high-level issuer often issuing bonds may receive very limited due diligence, while an issuer making an initial issuance in the emerging market will likely receive a higher extent of due diligence.
As a general practice in the international capital market, the procedure and extent of the due diligence depend on the issuer’s business nature, type of the bonds issued, type of bond investors and issuance place. The lead underwriter carefully considers the extent of due diligence required based on the concrete conditions of each issuance. An experienced issuer often issuing bonds may receive very limited due diligence, while an issuer making an initial issuance in the emerging market will likely receive a higher extent of due diligence.

Under the current NAFMII rules, in China the extent and procedure of due diligence are the same for high-level issuers with frequent bond issues and issuers making initial bond offering. The due diligence required in China is directly related to the required information disclosure in the prospectus, which generally include:

- business independence
- internal management and operational compliance
- principal operation
- financial standing
- industry and industry prospect
- other material matters
- purpose of raised proceeds; and
- credit standing

In China, due diligence is a collective responsibility of the intermediaries. Each intermediary involved in the bond issuance must adhere to relevant professional responsibility standards and ethics. These include the principles of independence, objectivity, prudence, and confidentiality.

In the Chinese market, methods of due diligence for the debt financing instrument include review, interview, attending meeting as a non-voting attendee, field survey, information analysis, validation and discussion. It must be particularly noted that not all methods apply to all debt financing instrument issuers, and the lead underwriter shall select an appropriate method to perform due diligence according to the issuer’s characteristics in industry, organisation and business.

- **Review**: Review relevant documents of the issuer relating to policies and business flows, and understand major policies, business flows and relevant internal control measures constituting the foundation for daily operation of the issuer in a comprehensive manner. The review shall cover organisation, personnel, finance, accounting, asset management, corporate governance and other aspects of the issuer;
- **Interview**: Hold a talk with senior executives of the issuers and leaders of its finance, sales, internal control and other departments to know the latest information of the issuer and verify the existing information;
- **Meetings**: Attend (without voting power) meetings of the issuer relating to the debt financing instrument, such as the shareholder’s meeting, meetings of the board of directors, working meetings of the senior management and department coordination meetings;
- **Field survey**: Go to major production site, construction site or other business bases of the issuer to perform a field survey;
- **Information analysis**: Analyse collected information and data to draw a conclusion;
- **Validation**: Communicate and validate with relevant institutions to confirm the authenticity of the conclusions drawn after review and field survey.

In China, due diligence by the lead underwriter for the debt financing instrument is usually divided into three stages: (1) preliminary due diligence, (2) comprehensive due diligence and (3) ongoing due diligence.
Preliminary due diligence means the basic survey performed by the lead underwriter to judge whether the target issuer can issue a debt financing instrument during business development;

Comprehensive due diligence is the process that the lead underwriter knows the issuer in an all-round manner, gets fully familiar with its operating status, risks and problems, and has adequate reasons to assure the issuer can issue a debt financing instrument and assure its registration document and prospectus are authentic, accurate and integral

Ongoing due diligence means that during the duration of the debt financing instrument, the lead underwriter must continuously watch the issuer’s profitability, industry trend and remediation of problems found during the due diligence, and adjust the debt issuance plan based on the remediation result.

Under NAFMII’s guidelines and market practices, due diligence includes the following steps:

1. Establish a working team: Due diligence team will substantially consist of people from the headquarters of the lead underwriter, and people of the branches will participate and assist;
2. Make the working plan and hold the project initiation meeting: The working plan mainly includes the working objective, working scope, working method, working roles, working time, working flow and participants;
3. Submit due diligence list: It is an important step to perform due diligence, and the issuer must prepare relevant documents in line with the list, and submit the documents to the due diligence team within the specified time;
4. Interview: Based on preliminary analysis of the due diligence documents obtained, the lead underwriter will prepare an interview outline by aggregating questions about the documents and matters that will help understand the issuer’s information in depth, and submit the outline to the issuer in advance;
5. Draw due diligence conclusions: The lead underwriter shall complete the working paper based on the due diligence documents obtained and the record of field interviews;
6. Track due diligence: It includes tracking due diligence both periodically and when material events occur.

In the international context, the lead manager’s due diligence process is similar, with the major difference that due diligence is not required after the bond offering has closed (which may be contrasted with the Chinese requirement for ongoing due diligence during the life of the bond).

- When an issuer makes an inaugural offering with a new prospectus, the underwriter is likely to put together a due diligence questionnaire, and participate in a series of talks with senior executives of the issuer. The questionnaire will be designed to obtain as much detailed information as possible on all aspects of the issuer’s business. However, if the issuer is a frequent issuer with substantial issuance experience, the underwriter will usually only need to update an earlier prospectus (to the extent it does not reflect any material recent developments).
- Before the issuance, the underwriter and the senior executives of the issuer may hold a meeting on the telephone and hold other due diligence meetings.
- As part of the review and validation procedure, underwriters will update relevant contents of the prospectus and discuss the contents with the relevant level of management of the issuer. Underwriters will also review documents provided by the issuer as required by the lawyer of the underwriter.
- The underwriter may also assign its internal credit analyst to perform a credit analysis of the issuer, as part of the due diligence process rather than the separate analysis by a credit rating agency.
- As part of the underwriting agreement, the underwriter will expect to have proper representations and warranties.
Content of due diligence
In both international and Chinese markets, due diligence can be divided into general areas of financial, business, and legal due diligence.

Financial due diligence
Financial due diligence mainly aims to ensure all the financial information contained in the prospectus is accurate and complete. The auditor of the issuer will review and validate in detail the financial statements of the issuer and all the financial information disclosed by the issuer in the prospectus, and send a letter of comfort.

In the international market, but not the Chinese market, a letter of comfort records the review procedure and audit result of the auditor. In both markets, accountants review financial reports and discuss relevant negative conclusions and negative changes incurred but not covered in the financial report with the management since the last updating or filing of the prospectus.

Business due diligence
Business due diligence involves the underwriter's assessment of the issuer's operations and prospects. The analysis is generally both forward and backward looking. With the forward-looking survey, the underwriter must decide the issuer has adequate reputation. Usually, the underwriter will investigate the business plan, forecasts and budget of the issuer, and ensure they are based on adequate and proper assumptions. The underwriter will hold an appropriate discussion with the management of the issuer. If the issuer has a very high rating result, the underwriter will usually not perform such due diligence, unless the underwriter has justifiable reasons to doubt the accuracy of the issuer's rating. If the issuer has a low rating, the underwriter will often perform a credit analysis of the issuer in line with its internal procedures.

Legal due diligence
Legal due diligence is generally limited to checking that the issuer is duly incorporated without any pending insolvency proceedings, has validly authorised the bond issue and that the bonds will generally be legal, valid and binding obligations of the issuer.
C. Disclosure

The international and onshore Chinese bond markets operate under “disclosure-based” principles which place importance on transparency and information for the investor in order to make an informed investment decision.

In parallel with the due diligence process, the disclosure in the prospectus will contain information about the business of the issuer, the financial status of the issuer, legal and regulatory aspects relevant to the issuer’s organisation, operations and particular bond offering. Prospectus disclosure will also usually contain a separate section of risk factors (covering all relevant areas), as well as details about the particular terms and conditions of the bond.

The general principle behind disclosure in international bond offerings is that the issuer must disclose all information that an investor needs to make an informed investment decision. This is reflected in the European legislation for prospectuses (the EU Prospectus Directive regime), which also contains specific information requirements for different types of issuer and different types of security. The disclosure rules in the Chinese interbank market, as outlined in detail in NAFMII’s Rules for Information Disclosure on Debt Financing Instruments of Non-financial Enterprises.

The level of disclosure in the international market will depend on the planned distribution to investors. The disclosure may vary among debt intended to be sold publicly or privately, or to retail as opposed to only institutional investors. Under the EU Prospectus Directive, the disclosure regime for securities intended to be sold to retail investors is more burdensome, and includes a requirement to include a summary of the offering in the prospectus.

Under the EU Prospectus Directive, the issuer accepts responsibility for the prospectus and confirms that, to the best of its knowledge, the prospectus is in accordance with the facts and that the prospectus makes no omission likely to affect its import.

If the EU Prospectus Directive applies, the prospectus must be reviewed and approved by a national regulator in Europe under EU rules.

In China’s interbank bond market, all newly issued corporate bonds must be registered with NAFMII. Similar to the review and approval by a national regulator under the EU Prospectus Directive, NAFMII undertakes only an examination of the general contents of the prospectus and makes no judgment or comment on the value or risk of the investment. In both the international and Chinese markets, the investor must carefully read the prospectus, independently analyse the disclosure, and evaluate the investment risk before buying a bond.

However, in China the issuer will effectively represent the accuracy of disclosure in the prospectus. (Similarly, in the international markets, the issuer represents the accuracy of disclosure to the lead managers.) The board of directors (or equivalent entity) approves the prospectus, and all directors (or equivalent persons) warrant that the prospectus contains no false information, misleading statement or material omission. They bear joint and several strict individual legal liability for the authenticity, accuracy, integrity and timeliness of the prospectus. In addition, the leader of the enterprise and the leader of the accounting department warrant the authenticity, accuracy, integrity and timeliness of the financial information contained in the prospectus. In a Chinese registration document, the issuer explicitly undertakes to perform its obligations in line with laws, regulations and the prospectus. This representation is not required in Europe.

Terms and conditions of the bond (and issuance)

The EU Prospectus Directive requires disclosure of certain information concerning the securities, including provisions relating to the priority of the debt in the issuer’s capital structure.

The EU rules set out certain relevant terms that must be disclosed, but market practice is to set out the terms and conditions of the bonds in full, verbatim.
In China, the registration document must contain the following basic terms of the issuance:

- Full name of debt financing instrument
- Full name of issuer
- Outstanding debt by issuer
- Registration notice number
- Term, face value, and issuing price or interest rate pricing method
- Target investors
- Underwriting and issuance
- Issuance date and value date
- Redemption price, method, and date
- Credit rating agency, credit rating result
- Redemption or sellback
- Credit enhancement

The requirements in the EU are similar to those for China but do not require disclosure of the issuer's outstanding debt or the "registration notice number". The EU Prospectus Directive does, however, require the following additional disclosure (among other things):

- Form of the issuance (bearer or registered)
- Currency
- Ranking of the securities
- Terms of redemption and repayment (including provisions for early redemption or amortisation)
- ISIN
- Governing law
- Provisions relating to interest payable
- Yield
- Representation of debt security holders
- The resolutions, authorisations and approvals relating to the securities
- Any restrictions on free transferability
- Arrangements for listing (known as admission to trading)
- Any credit ratings
- In certain circumstances
  - Withholding tax information
  - Terms and conditions of the offer
  - Pricing
  - Names and addresses of entities involved in placing and underwriting
Use of proceeds
Where the securities have a denomination of less than €100,000, the EU Prospectus Directive requires the issuer to disclose the use of the funds raised, as well as the amount and sources of other funds needed if the debt offering cannot meet the issuer’s funding need. In practice, use of proceeds may be disclosed as being for general corporate purposes. The EU Prospectus Directive also requires in certain circumstances disclosure of reasons for the offer, if other than profit generation and/or risk hedging.

Chinese requirements for disclosure of use of proceeds are generally more burdensome than international regulation. A Chinese issuer must disclose the name of the entity using the funds raised, the total amount and calculations of any funding gap. If the funds raised are used for a project, disclosure is required on the project’s investment amount, availability of proprietary capital and capital, construction plan, status of approval documents related to land and environmental protection.

Chinese disclosure rules also, unlike the European rules, require a warranty from the issuer that use the funds for production and operation activities of the issuer will comply with the laws, regulations and policies of the state, and that the issuer will disclose relevant information in a timely manner before changing the use of the funds raised during the duration of the bond.

Risk disclosure
The EU Prospectus Directive requires discussion of risks affecting the issuer’s ability to repay and the market risks associated with the securities.

In China, the following risks, along with other specific risks related to the current bond issue, are recommended to be explicitly disclosed:

- **Investment risks**: Interest rate risk, liquidity risk and solvency risk.
- **Financial risk**: Risks arising out of financial factors such as asset and liability structure of the issuer; liquidity of assets; debt profile; capital expenditures; returns from investments; restricted assets; non-recurring profits and losses; potential changes in the fair value of derivatives; contingent liabilities; and significant change in material accounting treatment.
- **Operating risk**: Risk arising out of changes in the markets or operating environment relating to the product or service of the issuer; fluctuation of product supply and demand; changes to raw material prices; competition in the industry; influence of the business cycle or product lifecycle; market saturation or market isolation; dependence on single market; market share; and changes in exchange rate and trade environment, as applicable to the issuer.
- **Management risk**: Risk arising out of the instability of management, management system and management policy of the issuer as a result of organisational structure, competition and material related transactions with controlling shareholder and other important related parties, management compensation, subsidiary structure, complex internal equity relationships, possible asset restructuring or change in important shareholders after issuance, and risks related to workplace safety.
- **Policy risk**: Concrete policy-related risks incurred by the issuer as a result of possible changes in laws, regulations and policies of the state. The issuer must disclose potential impact from changes in the fiscal policy, financial policy, land use policy, industrial policy, industry regulation policy, environmental protection policy, tax policy, the business licensing system, foreign exchange system, international antidumping policy, anti-subsidy or special safeguard measures, and policy differences between countries.

Historical evolution
Chinese disclosure rules generally require issuers to disclose more historical information about the evolution of the company.

The EU Prospectus Directive generally requires issuers to disclose some limited information about the issuer’s history together with current information relating to the issuer and any recent material events.
A Chinese issuer’s disclosure of the historical evolution of the enterprise would include the succession of major entities, the establishment, historical evolution and reorganisation of the enterprise as well as historical changes in the equity structure; important events in the progress of the enterprise over different historical periods, including shareholding reform, material capital increase or decrease, merger, separation, bankruptcy restructuring and name change.

**Enterprise Overview**

In China, issuers must disclose their governance and organisational structure. Chinese issuers must disclose basic information about their directors, supervisors and senior management, and confirm compliance with China's Company Law and other relevant laws and regulations and the articles of association. In the EU, required disclosure is similar to that in China but does not require a confirmation of compliance with a “company law”.

China requires disclosure on specific business segments, including historical operating revenues, operating costs, profits and margin. For any business segment contributing over 10% of the revenue or profit, the issuer must disclose the segment's profit model, industrial chain, production and sales regions, key technical processes and competitive position over the last three years. Disclosure must also include indicators of the company's position and operating advantages in the industry.

Chinese issuers must also disclose details of construction in progress, including the relevant costs, plan, availability of funds and capital, and compliance with applicable law. The EU has no explicit equivalent requirements on ongoing or planned construction. The EU only requires more general disclosure of the main operations, products, and services of the issuer, as well as the basis for any statements made in the prospectus regarding the issuer’s competitive position.

**Strategy and profit forecasts**

Chinese rules require disclosure of an issuer’s development strategy and plans for the next three to five years. Under the EU Prospectus Directive, the issuer is not explicitly required to disclose its strategy.

The EU Prospectus Directive mandates, broadly speaking, that any disclosure of profit forecasts (1) includes relevant assumptions upon which the issuer based the forecast, classified into factors that can be controlled or not controlled by the company's management; (2) is made in compliance with the applicable accounting standards of the issuer; and (3) is prepared on a basis that is comparable to financial information for previous years included in the prospectus.

**Controlling shareholders and actual controlling interests**

The EU Prospectus Directive requires disclosure of controlling ownership interests of the issuer. However, compared to the Chinese rules, it only requires the disclosure of information to the knowledge of the issuer.

This may be due to different legal and ownership structures common in the Chinese as opposed to European markets. Chinese issuers often have partial state ownership, while multinational corporations may have diverse forms of organisation spread across international entities with different structures.

Chinese issuers must disclose corporate and business relationships with the controlling shareholder in terms of assets, personnel, organisation, finance, and business operations. China requires disclosure of controlling shareholders and the actual controlling entity or person, including relevant shareholding ratios. Under the EU Prospectus Directive, the issuer is generally required to disclose, to the extent known to the issuer, whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.

In China, if the controlling shareholder is a natural person, relevant information must be disclosed including the person’s name, brief background and pledge of shares in the issuer, as well as major investments of the natural person in other enterprises and the person’s relationships with other majority shareholders. If the controlling shareholder is a legal entity but not a natural person, disclosure must be made of the entity’s name, establishment date, registered principal, principal operations, asset size, revenue and profit, as well as changes and pledges of the issuer’s shares held by the legal person.
With respect to material equity investments, Chinese issuers must disclose shareholding ratios in consolidated subsidiaries. They must also disclose reasons for consolidating subsidiaries in which they hold less than 50% of shares, or not consolidating subsidiaries in which they hold more than 50% of shares. Disclosure must also be made on subsidiaries having material influence on the enterprise, including principal operations and major financial data (including assets, liabilities, owners’ equity, revenue and net profit) over the past year.

The EU Prospectus Directive does not require the issuer to fully disclose operating information related to all subsidiaries. The Chinese rules require the issuer to disclose the financial information of its subsidiaries over the past three years, while the EU Prospectus Directive requires the issuer to disclose at least its consolidated financial information in respect of the past two years, with some exceptions.

Material contracts and related transactions

Broadly, the EU Prospectus Directive requires the issuer to disclose a brief summary of all material contracts that are not entered into in the ordinary course of the issuer’s business, which could result in any group member being under an obligation or entitlement that is material to the issuer’s ability to meet its obligation to security holders in respect of the securities being issued.

China requires the following disclosure with respect to related transactions:

• Contents of the related transaction policy, including without limitation to pricing principle, decision-making procedure and decision-making mechanism.
• Contents and changes of accounts payable, accounts receivable, other payables, other receivables, cash flow and other subjects relating to operating activities.
• Related transactions as to overview, reason, pricing basis, settlement mode, impact and fund occupation over the past year.

Matters of national importance

The Chinese rules require disclosure of information related to work safety.

The EU does not set explicit requirements for disclosure of work safety issues in the prospectus, but national competent authorities can ask for adapted information for issuers engaged in mining, and other specific, listed industries.

China requires the following disclosure from the issuer with respect to work safety:

• Prior history of material safety accidents, including basic information of the accident, determination of relevant state authority for accident reason and nature, relevant remediation requirement for the issuer and subsequent inspection and acceptance.
• Internal control systems and relevant emergency response plans relating to work safety.
• Concrete measures relating to work safety management and status of implementation.
• Work safety inspection records over the past three years.

The Chinese prospectus also requires a provision related to national secrets. The issuer represents that “this Company warrants that all the information disclosed by this Company for the issuance of the debt financing instrument does not involve national secrets, and this Company shall exclusively undertake any consequence arising out of the public information disclosure.” This is a China-specific provision not required in the EU.
Financials

China requires disclosure of audited financial reports over the past three years, as well as disclosure of any material changes in accounting policy. With some exceptions, the EU Prospectus Directive requires disclosure of audited financial statements for the past two years. Under the EU Prospectus Directive, if the issuer is from a member state of the European Community (EEA), the issuer should disclose financial statements in line with EU IFRS (or, in certain circumstances, the accounting standards of its home state).

An issuer from another country must either disclose financial information in accordance with international accounting standards or equivalent national accounting standards. If the issuer is offering securities in denominations of at least €100,000, it has the option to disclose financial information prepared to an alternative standard but it must disclose (1) that the financials are not disclosed in line with the international accounting standards, and may differ from general standards; and (2) a description of discrepancies from the international accounting standards.

Under Chinese rules, the issuer must disclose the balance sheet, income statement and cash flow statement over the past three years and the most recent period, and specify data sources. If the company prepares the consolidated financial statements, the company must simultaneously disclose the consolidated financial statements and the financial statements of the parent.

Broadly, under the EU Prospectus Directive, the issuer should disclose:

- If the issuer prepares both own and consolidated financial statements, at least the consolidated financial statements. The last year of audited financial information may not be older than 18 months from the date of the registration document.
- A statement that the historical financial information has been audited. If the audit reports on the financial information have been refused by the audit firm or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.
- An indication of other information in the registration document which has been audited by the auditors.
- Where financial data in the registration document is not extracted from the issuer’s audited financial statements, the source of the data and a statement that the data is un-audited.

Asset-liability structure

In line with standard accounting procedures, issuers in the Chinese market should analyse the change and reason for the change relating to any asset contributing over 10% of total assets, or any liability contributing over 10% of total liabilities, or the any material accounting item being affected by a change of more than 30% over the past year and the most recent period.

Asset restructuring

China requires the following disclosure with respect to asset restructuring:

- Potential risk arising out of the material asset restructuring.
- Any asset restructuring plan, current stage, completed legal procedure, compliance of restructuring process and influence on the qualification as the debt financing instrument issuer and validity of its resolutions.
- Comparable financial data over the past three years and the most recent period.
- An analysis of the influence of the restructuring on its production, operation and solvency.

Financial indicators: In China, issuers must disclose data on solvency, profitability, operating efficiency and other relevant financial indicators and reasons for their changes over a three-year historical period. Under the EU Prospectus Directive, the issuer is generally required to disclose a description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.
Interest-bearing liabilities. Chinese rules specify an issuer must disclose the amounts, repayment and other key terms, and credit support structures of interest-bearing liabilities.

Contingent liabilities. Chinese rules require disclosure of external guarantees, pending litigation and arbitration, material commitments and other contingent liabilities in the most recent period. Under the EU Prospectus Directive, issuers are required to disclose information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

Restricted assets. Chinese issuers must disclose the mortgage, pledge, lien and other purpose restrictions over assets in the most recent period as well as other priority of debt repayment that can challenge third persons. The disclosure contents include but are not limited to asset names, mortgagee/pledgee, book-entry value of asset and term.

Derivatives. Chinese issuers must disclose names, trading purpose, trading structure, nominal principal and profit/loss of the derivatives held in the most recent period.

Taxes: Issuers in the Chinese market must disclose tax payable on the investment in debt financing instrument and tax policies relevant to the issuance and the issuer’s financials. Chinese disclosure also requires a representation that tax disclosure does not constitute tax advice or for investors. Under the EU Prospectus Directive, if the securities have a denomination of less than €100,000, issuers must disclose, in respect of the country of the issuer and the country(ies) where the offer being made or admission to trading is being sought, information on taxes on the income from the securities withheld at source and an indication as to whether the issuer assumes responsibility for the withholding of taxes at the source. It is also market practice to include tax disclosure for securities with a denomination of at least €100,000.

In addition to the above, Chinese rules require disclosure of the following aspects related to the balance sheet:

- Material investment products and wealth management products – including trading purpose, structure, nominal principal amount, and recent profit/loss on the investment
- Overseas investment – including amount and relevant operating data
- Direct debt financing plan – including amount and progress in implementing the plan

With respect to the credit standing of the issuer, Chinese rules require the following disclosure:

- Credit ratings – historical over the last three years, with the credit rating agency and explanation of any symbols
- Credit facilities – lines of credit, and disclosure of which ones are used and unused
- Default record – Amount, time, reason and resolution progress of debt default over the past three years and the most recent period
- Historical issuance and repayment of debt

Credit enhancement
China requires the following disclosure with respect to credit enhancement:

- Information about the relevant institution. If the credit enhancement is provided by a professional credit enhancement institution, the issuer shall disclose the information in line with NAFMII's Self-regulatory Management Rules of China Interbank Market Concerning Credit Enhancement Business. If the credit enhancement is provided by other enterprises, the issuer shall disclose the information on relevant enterprises in the same way as the issuer.
• Contents of the guarantee or relevant credit support agreement, including amount, term, scope; rights and obligations of the enterprise, guarantors and creditors.

• Name of the collateral, the amount of the collateral (book-entry value and appraised value) and the ratio of the amount to the total face value and total principal and interest of the issued bond as well as evidence of any relevant collateral appraisal, registration, preservation and legal procedures.

• Relevant documents to certify security, mortgage, or pledge.

• Ongoing disclosure in case of material changes in the credit of the guarantor or collateral.

The EU Prospectus Directive requires disclosure of information on the provider of credit enhancement in line with the disclosure requirements for the issuer. Broadly speaking, disclosure must also include the terms and conditions for the validity of the credit enhancement, and whether or not the provider of credit enhancement enjoys a veto on the change of bondholders.

Institutions related to the issuance
Under both Chinese and EU rules, the issuer must disclose basic legal and contact information about institutions related to the issuance, including the underwriters, legal counsel, accounting firms, and as applicable, the credit rating agencies, credit enhancement institution, registrar, depositary, clearing agent, and other agents.

Under Chinese rules, the issuer must disclose material relationships between the issuer and related institutions or personnel of those institutions. Similarly, under EU rules, the issuer must disclose any persons or institutions interested in the recent issuance, with details of any conflicts of interest.

Reference Documents
In both the Chinese and international markets, an important aspect of disclosure is the set of documents incorporated by reference into the prospectus.

In China, these documents include the registration notice, public disclosure document and relevant approval documents on projects funded with the proceeds.

In the EU, documents incorporated by reference commonly include the financial information required to be disclosed. In addition, the EU Prospectus Directive requires the issuer to disclose where certain information can be inspected, including the issuers' articles of association, all reports, letters, other documents, historical financial information, information about valuation, information documents provided by third parties which is included or referred to in the prospectus.
D. Book building

In the context of a bond offering, “book building” is the process by which an underwriter attempts to determine at what price to offer a bond based on market conditions and demand from investors.

Generally, primary debt issuance in the international market features a shorter book building process than in China and fewer restrictions on the flow of information, subject to the general insider information regime.

Role of the underwriter
The international capital market relies more on the lead underwriter’s experience and professionalism to guide the price dynamically before the final price is fixed. The lead underwriter will have some flexibility to decide at what time to publish the price, react to changes in global market conditions, and coordinate among international investors and distributors during the book building process.

China sets relatively detailed requirements mainly by NAFMII’s self-regulatory framework for the issuance document and information flow to ensure the fairness of the issuance and allocation process. In China, pricing is also managed by the lead underwriter, but is a simpler process, less iterative, and completed at one time during the book building process. China sets the standard distribution flow and distribution period during book building, but the international capital market usually does not include the distribution flow.

Role of the issuer
The EU does not explicitly restrict the issuer from participating in the book building process. On the other hand, in the Chinese market, the book building process is organised by the lead underwriter, and the issuer is relatively isolated from investors.

Setting of distribution period
The international capital market does not set mandatory requirement for the issuance announcement and the payment notice, but requires the issuer to publish an announcement to the market at closing. China’s interbank bond market sets express requirement issuance announcement and the payment notice. The international capital market does not set mandatory requirement for the issuance announcement and the payment notice, and China’s interbank bond market sets express requirement issuance announcement and the payment notice.

In the overseas market, if the issuer finds a price advantage during book building, it can further optimise the price with simple steps. In China, if the same situation occurs, the issuer can also adjust the price range of book building and publish an announcement to the market. In the international capital market, if the issuer encounters favourable price momentum during book building, the issuer can further optimise the price.

International book building process
The book building process of an international bond offering is essentially a pricing discovery process between the joint bookrunners and the global investors. The joint bookrunners’ objective in the book building process is to achieve the best pricing and sizing target for the issuer, commensurate with the issuer’s sizing, pricing, tenor, distribution and ongoing market access objectives. The investors’ objective in the book building process is to discover and achieve the pricing that meets the investors’ risk and return targets.

The marketing of an international bond offering by a new or infrequent issuer is usually conducted through a global roadshow meeting with international investors. The purpose of the roadshow is to introduce the company’s credit highlights, business strategies and recent developments to investors, maximising investors’ attention and interest in the proposed offering and guiding investors to purchase the securities at the pricing range set by the joint bookrunners.

Usually a message of roadshow mandate will be sent to international investors at the opening time of the markets and the joint bookrunners of the transaction will decide to proceed with the transactions or not based on market conditions. This process is ongoing, however, and the result of the roadshow will not definitely determine whether or not the transaction proceeds to completion.
After investor meetings, the sales teams from the joint bookrunners will follow up with respective investors for feedback. The feedback collected through a roadshow usually serves as an important indication for the joint bookrunners to formulate an initial pricing view before the book building process starts. With sufficient and constructive investor feedback, the joint bookrunners decide on the “initial price guidance” (or more tentative “initial price thoughts”) to start the book building process with the issuer’s permission.

1. **Determine preliminary price range.** Determine preliminary guide in line with market situation and comparable deals.
2. **Investor feedback and discussion.** Investors give feedback, and the underwriting syndicate and the sales team communicate with investors. The sales team will mainly market credit highlights of the issuer mainly to global key investors, and guide investors to respond to the price range suggested by the book builder.
3. **Announce final price guide to the market.** The strategy to achieve the optimal price is to adopt the book building method, and the book runner will guide the market to realize the best momentum and achieve the optimal price.
4. **Price optimisation.** Investors give further feedback, and the underwriting syndicate and the sales team communicate with investors. Book building momentum will allow the issuer to further optimise the price over the price guide range published later.
5. **Decide final interest spread and size.**
6. **Announce investor allocation result.**
7. **Decide final price.**
8. **Execute subscription agreement.**
9. **Enter preliminary settlement instructions.**
10. **Decide final interest spread and size.**
11. **Announce investor allocation result.**
12. **Decide final price.**
13. **Execute subscription agreement.**
14. **Enter preliminary settlement instructions.**
15. **Perform final condition precedent checks.**
16. **Release issue proceeds to issuer against delivery of live global bond.**

A debut/infrequent issuer may initially approach banks for a possible transaction several weeks prior to public announcement (to allow for initial preparation), with a couple weeks then for a marketing roadshow prior to opening order books. A frequent issuer might contact banks for an immediate public announcement and simultaneous opening of order books.

From opening of order books to pricing is then usually intra-day business.

Pricing to closing tends to be five working days, with contractual signing two working days before closing and settlement.

### Chinese domestic bond book building process

1. **Determination of preliminary price range.** After review of preliminary disclosure from the issuer, as well as the prevailing rates in the markets, the issuer and the lead underwriter determine the issuing interest rate range and will sign a letter confirming the price range for book building.
2. **Subscription offer.** The lead underwriter sends a subscription statement to members of the underwriting syndicate one day before the issuance, and publishes the statement to the market. This subscription statement includes major terms of the bond, the interest rate range of the bond, the subscription timeline and procedure, placement and payment terms of the bond, the contact information of the book runner, the designated payment account and other information.
3. **Placement and payment.** If the issuance uses the same book building process as public offering, each subscriber submits a binding, written subscription offer. The book runner notifies the underwriter of the issuance interest rate determined in line with the size of the bond and the book building process.
4. **Distribution.** The book runner sets the distribution period based on the investor demand, and arranges for
members of the underwriting syndicate to distribute the bond. The distribution period starts on the book building date and ends on the payment deadline.

5. **Listing and trading.** The members of the underwriting syndicate complete all placements to institutions outside the syndicate through distribution as stated in agreement among issuer, lead underwriter and other underwriters. The bond can circulate and trade in the interbank bond market from the first business day after payment is complete.
V. Recommendations

By comparing practices in China’s interbank bond market and the primary international bond market, China could on one hand, draw on useful experience from the international market to align in appropriate ways with the international system, promote the opening up of the Chinese capital market and broaden cooperation between China and the global capital markets. On the other hand, the comparison also enables overseas institutions to better understand China’s current market system and help more qualified overseas issuers and investors to enter the Chinese interbank market. NAFMII and ICMA will continue to undertake cooperative studies to promote mutual understanding and facilitate the common development of their bond markets.

A. Drawing on the information disclosure system from the international market

As the key element of NAFMII’s registration system, information disclosure will continue to be improved in its effectiveness and soundness in order to better protect investors. In the international market, requirements on information disclosure concerning bond issuance to institutional investors are simpler than those concerning bond issuance to retail investors. With the development of China’s real economy and market, it may be considered to remove unnecessary requirements and reasonably reduce the cost in information disclosure, consistent with the needs of investors. Efforts will be made to promote the integration of registration information disclosure and continuous information disclosure. International market practices such as medium-term note programmes and the shelf registration system are potential points of reference for China’s interbank bond market.

B. Further developing due diligence standards

Market conventions with respect to due diligence have evolved over the long term in line with business practices in the capital markets. In view of the experience in the international market, NAFMII shall fully utilise the expertise of lawyers and accountants in their respective fields, and appropriately enhance their role in the due diligence process. Meanwhile, NAFMII will organise market players to revise relevant industrial standards or operational guidelines and update them from time to time according to market needs.

C. Further streamlining the issuance process and intensifying self-regulation during issuance

To improve issuance procedures in China’s interbank bond market, it is helpful to draw upon international experience in book building. NAFMII shall optimise the issuance process in the domestic market, especially for relatively seasoned issuers, and enhance the role of self-regulation during issuance. NAFMII will also plan to streamline the requirements on information disclosure and review for registration to make the overall issuance process, including the book building stage, more efficient.

Conversely, certain aspects of the book building process in China’s interbank bond market are of interest to international market participants and policymakers, and in particular could generate new ideas on how to further improve the transparency of book building in the international market.
VI. Appendices
A. Practices in the international debt capital markets
   1. Due diligence
   2. Disclosure in the prospectus
   3. Book building of an international bond offering
1. Due diligence

Background
In the context of a securities offering, due diligence describes the process that an underwriter of debt securities may conduct, both independently and together with the issuer, in order to establish the completeness and accuracy of the information contained in the disclosure document used in connection with the offering. This disclosure document is known as the prospectus.

The due diligence process involves the collection, organisation and checking of information relating to an issuer of securities, the securities themselves and such other information as an investor may need in order to make an informed investment decision in relation to those securities.

In essence, due diligence is an investigation of an issuer’s business, financial position and prospects. The underwriter will want to be confident that:

(i) the information contained in the prospectus is accurate in all material respects (this process is often referred to as “verification”);
(ii) the prospectus does not omit any material facts (in other words, all material disclosure has been made); and
(iii) there are no other facts that would mean that the issue could not proceed -- even with adequate disclosure.

Why do due diligence?
The participants in the due diligence exercise are seeking to benefit from any defence to liability which may be available and to establish that due care has been taken to rebut any claim based on negligent misstatement.

What is the likely nature of a claim?
Most systems of securities regulation require that a disclosure document or prospectus is used in order to offer and place securities. The primary responsibility for the completeness and accuracy of the prospectus is placed on the issuer.

The particulars of any claim will depend upon the laws of the relevant jurisdiction(s) governing the debt securities as well as where they are sold or listed.

Claims tend to fall into one of three categories: misrepresentation, strict or other liability under relevant investor protection statutes or a claim for negligence. It is less likely that a claim will succeed where all material disclosure has been made and in some jurisdictions there are specific protections or exclusions from liability where the issuer and the underwriter have exercised a reasonable standard of care in the preparation of the prospectus.

How is due diligence undertaken?
The most common way in which an underwriter in the international capital markets will seek to discharge its reasonable standard of care is through so-called “verification” and “due diligence”. Verification and due diligence are each directed towards separate concerns:

(i) Verification
Verification is where all the statements in the prospectus are checked to ensure that they are true, accurate and not misleading. It usually applies in venues that mandate it (such as some stock exchanges). Otherwise, verification may not be required or performed.

(ii) Due Diligence
Due diligence goes further than verification and will normally involve a more wide ranging review of the issuer and its business including (1) financial due diligence, (2) legal due diligence and (3) business due diligence.
The underwriters and their lawyers will manage the due diligence process as a whole but the underwriters are themselves principally responsible for the business due diligence (and to a lesser extent financial due diligence). Although the actual procedures undertaken in respect of (1), (2) and (3) described above will vary from issuer to issuer, on almost all public offers of debt securities a comfort letter from the issuer’s auditors will be delivered as part of the financial due diligence and one or more legal opinions from the legal advisers retained will be delivered as part of the legal due diligence.

A substantial amount of information about the issuer is derived from the issuer’s responses to a due diligence questionnaire. The questionnaire may ask for copies of documents or written responses to queries or it may ask the issuer to discuss responses at a due diligence meeting. Interviews with the issuer’s management can be an important element of due diligence.

What types of due diligence are there?
The underwriter in an offering of debt securities will work closely with the lawyers to ensure that they understand the commercial issues so that adequate protections, such as representations, warranties and covenants are included in the legal documentation. In turn, all parties will work with the issuer, any local lawyers and the auditors.

The following is a summary of financial, legal and business due diligence:

(1) Financial due diligence
Financial due diligence focuses on ensuring that all financial information which is included in the prospectus is accurate and complete. The issuer’s auditors will review in detail the issuer’s financial statements and verify any financial information included in the prospectus with a view to issuing a comfort letter. The comfort letter describes the procedures undertaken by the auditors and the conclusions drawn by them as a result. These procedures vary but typically include a review of available post year-end accounts and discussions with management based on which certain conclusions are expressed as to the absence of adverse changes in identified financial statement items since the date of the last set of accounts disclosed in the prospectus.

The level of reliance an underwriter may place on the conclusions of third party experts such as auditors varies. The US market is an example of a higher standard where, while the underwriter is not expected to be a trained accountant, it is expected to be alert to inconsistencies in the audited financial statements (termed “red flags” after the U.S. WorldCom case – see detail below). If there is a red flag then the underwriter needs to look behind the audited results, and it may be liable to investors who have suffered a loss where it fails to do so.

The format of the auditors’ comfort letter in the Euromarket is fairly standardised. ICMA worked with the main UK accountancy firms to produce a standard form comfort letter (accompanying a standard form arrangement letter), which is aimed at stand-alone investment grade debt issues. In the US market, the form of comfort letter which the underwriter will seek is the statement of accounting standards (SAS) 72 comfort letter. This comfort letter is available within 135 days of the issuer’s latest audited or reviewed financial statements.

The WorldCom 2004 litigation:
While Sections 11 and 12 of the US Securities Act of 1933, as amended (the Securities Act) establish strict liability for false and misleading statements in prospectuses, both sections permit underwriters to defend a claim by showing that they performed reasonable due diligence. In addition Section 11 permits underwriters to rely on experts’ reports such as audited financial statements. However, in the WorldCom litigation Judge Cote concluded that underwriters cannot rely solely on audited financial statements in circumstances where there are sufficiently serious “red flags” indicating that those financial statements could not be relied upon without additional due diligence procedures. The Court also held that the receipt of auditor comfort letters was not conclusive evidence of a reasonable due diligence investigation with respect to unaudited interim statements.

Judge Cote’s opinion does not provide detailed guidance on how much diligence is enough, or when any particular piece of information will be found to rise to the level of a “red flag” requiring further investigation. Instead, other than the obvious guidance that more diligence is better, underwriters will be subject to a court’s interpretation.
(2) Legal due diligence

It is important to establish that each issuer is properly incorporated in its jurisdiction, that it validly exists and that it has the capacity to issue the securities (e.g. that there are no provisions in its incorporation documents that would prohibit the proposed issuance). The underwriter and its lawyers will also want to ensure that the debt issuance documentation has been properly authorised by the issuer, that it constitutes legally valid, binding and enforceable obligations.

In the context of a US transaction (e.g., where notes are sold to investors under Rule 144A of the U.S. Securities Act of 1933, as amended (the Securities Act)), the issuer may be required to set up a data room containing all of its material contracts, which would be available for review by the underwriter’s lawyers. The relevant lawyers may sometimes also be asked to investigate and confirm that the issuing of the debt securities does not put the issuer in breach of any covenants in any of its outstanding senior debt documents or other material agreements; this procedure is most likely used for a debut issuer or an issue with highly structured covenants such as with high yield issues.

In addition, for Rule 144A issuances, both issuer and underwriter’s counsels will be asked to deliver a 10b-5 letter, which is a negative assurance letter (not a legal opinion) to provide negative assurance with respect to material misstatements and omissions in the offering document.

(3) Business due diligence

This mainly involves the underwriter looking at the prospects of the issuer. The underwriter may look at the issuer’s strengths and weaknesses, production, sales, marketing, research and development and future strategy. The analysis will be both forward and backward looking. Forward looking diligence involves the underwriter determining that the issuer is sufficiently credit worthy and may involve looking at the issuer’s business plans, forecasts and budgets and ensuring that each has been properly prepared and are based on appropriate assumptions and will usually conduct appropriate discussions on them with management. Where an issuer is highly rated it is likely that this diligence may not be undertaken unless there are reasons to doubt the rating. For a low or unrated issuer, an underwriter may wish to conduct its own internal credit analysis.

The procedures in relation to backward looking due diligence (i.e. reviewing the accuracy of historical disclosure) are described in “Due Diligence Procedures” below.

Verification and due diligence

The main purpose of verification and due diligence is to establish that the prospectus prepared by the issuer in connection with an offering presents a fair and balanced impression of the issuer’s affairs and that, in doing so, it does not misrepresent or omit anything material.

There are two general points which should be borne in mind when considering the relevance of verification and due diligence in the context of limiting liability. Although verification and due diligence procedures are normally determined by the underwriter, it is in the interests of both the issuer and the underwriter to ensure that the process is conducted and recorded in a full and meaningful way.

Due diligence procedures

The extent of due diligence procedures will vary, depending on a number of matters, including the nature of the issuer and the securities offered, the investor base and where the securities are listed.

The ICMA Primary Market Handbook sets out Recommendation R3.3 and item 3.4 on due diligence:

“R3.3 The appropriate level of due diligence to be performed in the context of each issue should be considered carefully.

3.4 It is impossible to prescribe whether or what due diligence procedures would be appropriate in the circumstances of each issue, and procedures will vary greatly from issue to issue (depending, for example, on the type of securities being issued, the rights attached to those securities and the nature of the issuer and its business)."
Underwriters of securities in the international capital markets will typically follow ICMA guidance.

When considering what counts as an "appropriate level" of due diligence, the guidance leads you back on the standard of what is reasonable in the circumstances of the particular issue, including those factors listed in the ICMA Guidance.

Therefore, generally speaking, it is likely that the most limited procedures will be undertaken for a highly rated frequent issuer whereas an issue by a sub-investment grade debut issuer in an emerging market might merit a higher degree of due diligence.

Generally, the due diligence procedure which an underwriter may adopt for issues of debt securities in the Euromarket could potentially involve, as appropriate in the specific circumstances:

- A first time, or very infrequent issuer where a new prospectus is drafted, the starting point will either be the delivery of a due diligence questionnaire or a series of meetings at which presentations are made by the issuer in respect of its business. The questionnaire will be detailed and will be designed to elicit as much information as possible about all relevant aspects of the issuer’s business. In contrast, where the issue is by a frequent issuer, the preparation involves updating to the extent necessary, the previous prospectus.
- Examples of steps taken to complete the due diligence:
  1. A telephone call between the underwriter and senior management of the issuer before the issue is launched. The purpose of this call is to obtain confirmation that there are no significant factors affecting the issuer which have not been made public and which, if they were made public, might affect an investor’s investment decision. This procedure might be used for all issuers except, possibly, a highly rated frequent issuer.
  2. A due diligence meeting where a formal due diligence questionnaire is delivered in advance and answered by duly authorised members of management. This could be done in a meeting or by telephone conference call. This procedure might be used for an infrequent but still credit-worthy issuer.
  3. As part of the verification, there might be on-going reviews of the prospectus and discussions with appropriate members of management as to its content. The purpose here is to check that there is no material misstatement in the prospectus and that there is no material information excluded from the prospectus. This review and discussion process is used in the context of a first time issuer and might also be used where the issuer lacks experience in preparing disclosure documents or where considerable time had elapsed since the disclosure was last updated.
  4. There may be a documentary review based on a list of documents submitted by the underwriter’s lawyers. The list will typically include the incorporation and authorisation documents of the issuer, certain of the company’s material commercial contracts and borrowing documentation. The issuer may set up a data room if there are substantial documentary requirements. It would be unusual to have a documentary review for an established borrower.
  5. An underwriter might also undertake its own credit checks by internal credit analysts.
  6. As part of the subscription agreement, the underwriter will want to ensure that it receives appropriate representations and warranties from the issuer and these will need to be confirmed by way of a certificate delivered at closing. The underwriter will always require an indemnity from the issuer for actual or alleged breaches of the representations and warranties.
  7. Although relatively uncommon in the Euromarket, other procedures could include a review by lawyers of the issuer’s major commercial contracts and other significant corporate documents, site visits to the issuer’s key facilities and interviews with important third parties such as regulators, suppliers, customers or lenders having a relationship with the issuer. These procedures are more common for issues to be sold into the U.S.
The following procedures are an example of those that may be undertaken for a debut issuer seeking to access the 144A market, but those for more frequent issuers perhaps accessing the market via an SEC shelf take-down may vary significantly.

The procedures for a debut bond issue undertaken for due diligence in U.S. issues do not differ to a great extent, except in the depth of investigation, from the procedures set out above. The principal difference is that whereas in European issues only certain of the procedures listed may be used, in U.S. due diligence all the procedures are likely to be used during the course of each due diligence exercise.

A thorough due diligence investigation can form the basis of a due diligence defence for actions under the Securities Act and the U.S. Securities Exchange Act of 1934 (the Exchange Act). In the U.S., liability for the prospectus extends beyond the issuer of the debt securities to include the underwriters. Due diligence is therefore very thorough so as to allow the lawyers to issue a “10b-5 letter” which states, in effect, that in the course of a law firm’s work on the registration statement, or in the context of an issue of securities under Rule 144A, nothing has come to their attention which gives them reason to believe that it contains any material misstatement or omission of a material fact.

As in European due diligence, tasks are allocated so as to reflect the professional expertise of the parties involved (i.e., investment bankers, lawyers and auditors), but it may be that further specialist expertise is required generally, or to draft specific parts of the prospectus (e.g., mining consultants, shipping brokers).

Early on in the process, the underwriter will attempt to become as familiar as possible with the issuer’s industry. Documents that are reviewed will include prospectuses, annual reports and analysts’ reports with respect to other corporations in the issuer’s industry. The underwriters also typically consider bringing their research analyst “over-the-wall” to assist in due diligence. If the industry is highly regulated (e.g., insurance, communications, banking, etc.), the underwriters will typically review and become familiar with the major regulations in the industry and how they might affect the business of the issuer. The underwriters will also want to understand the accounting practices followed in such industry and whether there is variance among companies in the industry. The issuer’s auditors will assist with this. If appropriate to the issuer, the underwriter and its lawyers will visit one or more of the issuer’s facilities (e.g. a factory) if only to get a feel for the business.

Lawyers for the underwriters will produce a document request list, which will ask for specific documents as well as general categories of documents (e.g. loan agreements, material contracts). The documents will usually be sent to the lawyers (or copied) but there may also be visits to the issuer’s offices to inspect the originals.

Prior to a line-by-line drafting session of the prospectus, one or more meetings are usually held with the principal officers of the issuer. Often, the issuer, if asked, will organise a presentation by the operating officers from each of its major operating subsidiaries or divisions in order to give the underwriters and their lawyers a general overview of the issuer’s business. The underwriters and lawyers will want to have a separate meeting with specific officers or employees of the issuer that are responsible for key areas, e.g., depending on the business, government regulation, environmental compliance, employee relations, intellectual property or litigation. There will be a meeting with the chief executive officer and chief financial officer of the issuer to review broad aspects of the issuer’s business as well as obtain their personal assessment of the issuer’s strengths and weaknesses.

The issuer’s auditors perform two functions in U.S. due diligence: (i) as experts regarding the audited portions of the prospectus, via provision of a comfort letter in line with SAS 72; and (ii) as an important source of information about the issuer’s financial statements, accounting records and accounting policies and practices. The latter of these two roles assists the underwriters in performing the appropriate investigation of the issuer’s business, although recently U.S. auditors have tried to distance themselves from the due diligence process by placing self-imposed limits on their involvement. U.S. auditors are currently in discussions with underwriters and other market participants as to their future level of involvement in the due diligence process, but pending the outcome of these talks underwriters should ask questions of the auditors, including with respect to:
• changes or proposed changes in accounting policy (either by the issuer or with respect to the issuer’s industry);
• possible fraud or illegality;
• adequacy of accounting controls;
• capability of the financial and accounting team of the issuer;
• reportable conditions; and
• Issues identified in annual management letters.

Given the auditors’ knowledge of the issuer and its business, it is preferable to have the accountants present during drafting sessions to the extent practicable.

The underwriters should also consider having discussions with the issuer’s major lenders as well as several of the issuer’s major suppliers and customers. These discussions should be without the issuer present (the issuer’s lawyers may attend, at the discretion of the underwriter), though with a debrief discussion of the results with the issuer afterwards. These discussions, particularly the discussions with customers and suppliers, should be at a point well into the due diligence process when the underwriters have a good understanding of the issuer’s business and therefore can have more meaningful discussions with such parties.

In most offerings, the issuer is required to include detailed information with respect to its officers and directors. It is standard procedure for the issuer’s lawyers to prepare and circulate an officers’ and directors’ questionnaire to each relevant officer and director of the issuer. Lawyers for the underwriters will review the completed questionnaires and compare the answers with the information in the prospectus as currently drafted. Discrepancies will be followed-up.

Due diligence is crucial at the start of the issue process, when negotiating the underwriting agreement (e.g. in terms of representations and warranties) and comfort letters, and in the later stages, when drafting and reviewing the prospectus. To reflect its importance, the underwriters’ lawyers will often prepare a due diligence memorandum. This provides a summary of the materials which have been reviewed. This is useful both prior to issue and after as a record of what has actually been reviewed in the due diligence process. The underwriters’ lawyers may also prepare a due diligence file providing a record of the due diligence investigation conducted in connection with the offering (in case of litigation) and a source of materials for any future transactions by the issuer. The file will generally contain a copy of all document request lists sent to the issuer; a clean copy (no notations) of all documents provided by the issuer for review; and a copy of the due diligence memorandum.

**Document request list**

This list is a summary of the type of documents that are commonly requested for U.S. style due diligence and is not intended to be exhaustive or conclusive. It is important to note that not all of these documents would be requested for every deal, particularly with more seasoned or frequent issuers.

(i) Corporate books and records: incorporation documents of the issuer and other relevant group companies (guarantors and foreign branch registration documents); minutes of board, shareholder and committee meetings; reports to shareholders and other shareholder documents/agreements.

(ii) Financial information (for relevant group companies): financial statements (internal reports and audits, and related correspondence); tax returns); indebtedness documents/agreements.

(iii) Employee materials: employment agreements; consulting agreements; union or other employee representation related documents; employee handbooks; schedules of salaried and hourly employees; organisational information (detailed organisation chart, list of all directors and officers).

(iv) Contingent liabilities: litigation; regulatory compliance.
Contracts, agreements and other arrangements: agreements not in ordinary course of business (e.g., joint ventures); key customer contracts; key supply contracts; material agreements relating to product warranties, distributorship, advertising and manufacturing agreements).

(vi) Intellectual property rights: trademarks, licences, patents, copyrights and related agreements; pending litigation; agreements relating to employee/consultancy ownership.

(vii) Plant, property and equipment: real property documents; personal property documents (e.g. leasing agreements); related appraisals/valuations.

(viii) Insurance.

(ix) Market information: competitor details and analysis of competitive markets; sales volumes; sample customer contracts; list of 10 largest suppliers; research and development plans; correspondence and other documents relating to negotiations with competitors of the company for most recent three to five years, depending on the issuer.

(x) Materials for public companies (if applicable): SEC Filings; forms and proxy statements for most recent three to five years, depending on the issuer; any Securities Act registration statements, including any post-effective amendments; recent written presentations to security analysts; recent security analyst research reports; press releases for most recent three to five years, depending on the issuer.

(xi) Miscellaneous: any shareholder rights agreements; description of subsidiaries, joint ventures, partnerships, etc.; future acquisition or disposition plans; future restructuring plans; company's information management system description, including any future changes planned.

2. Disclosure in the prospectus

The prospectus is the primary legal and marketing document that an issuer uses to solicit investors for a transaction. The prospectus must cover all aspects of a particular transaction, including the overview of the issuer, terms and conditions of the Notes, risk factors, and financial statements.

Compared with Regulation S transactions, Rule 144A transactions commonly entail due diligence to meet a U.S. 10b-5 standard, following SEC-registered practice more closely. As a result, there is commonly a “Management’s Discussion & Analysis” section and “Industry Overview” section in the disclosure for 144A offering documents, which is not as common in Regulation S-only transactions.

A Regulation S offering has no legally binding checklist for disclosure; however, for a Chinese issuer, the OM will usually cover the following information:

1. A summary with
   a. a business overview;
   b. past 3 years’ financial statements (including profit & loss, balance sheet, and cash flow statement); and
   c. summary terms of the Notes.

2. The business overview is extracted from the Description of the Issuer section. Financial summary puts the 3-year financials side by side for easy comparison. Summary terms only highlight the key components of the terms and will usually refer to the detailed clause in later section.

3. Risk factors that cover:
   a. issuer’s business and financial performance;
   b. the industries in which the issuer operates in;
   c. supervision and regulation in relevant jurisdictions; and
   d. the characteristics of the security and its trading markets.
The issuer must disclose any information that may affect investors’ decision and the future value of the investment, so that the investors can make an informed decision. While the purpose of disclosing risk factors is to protect issuer from liability against investors, marketing considerations are usually also taken into consideration.

4. **Use of Proceeds** which specify the approximately net proceeds received (after considering the discount of the issue price and deducting fees and expenses) and the use of proceeds.

5. **Capitalisation**, covering the capitalisation situation before the offering (as shown in the latest financial statement included in the OM) and pro-forma (post the offering) to indicate how the particular offering will affect issuer’s capital structure.

6. **Terms and Conditions of the Notes**, including interest, payment frequency, calculation base and maturity date.

7. **Covenants**, including:
   a. Financial covenants (though normally in high yield issuances only), negative pledge, change of control put, and/or other material legal provisions;
   b. Events of default; and
   c. Circumstances, if any, under which the notes are callable.

8. **Description of issuer’s business**, including, where relevant:
   a. Strengths and strategies;
   b. Business model;
   c. Products and services;
   d. Customers;
   e. Suppliers; and
   f. Corporate structure (including major operating subsidiaries and affiliates).

9. **Supervision and regulation**, with a description of the relevant regulatory environment.

10. **Management**, describing corporate governance and the composition and capability of the management, in particular:
    a. Biographies of directors and officers, and their experience with issuer and within industry;
    b. Board structure and board committees; and
    c. Share ownership and stock option plans for management.

11. **Related-party transactions**, which may or may not benefit the issuer.

12. **Financial situation** ("F-pages"), including the audit report, the full text of the financial statements themselves, and the notes to the financial statements.

13. **Management Discussion and Analysis** (MD&A), which is intended to describe historical and public prospective results through the eyes of management, and provide context to recent financial performance.

14. **Industry**, including information about the market environment and competitive landscape. Data from third-party sources must be obtainable, reputable and citable.

Generally, the U.S. and Chinese systems are “disclosure-based”: they place importance on transparency and information for the investor in order to make an informed investment decision. To that end, at the meeting, a high level summary of bond prospectus disclosure was divided into disclosure about:

1. **The business.** The investor needs to know what the business is that he is investing into.
2. **The offering.** The investor needs to know what the financial instrument is that he is investing into, including the terms and conditions of that financial instrument.

3. **The financial information.** In addition to the qualitative description of the business, the investor needs to know what the financial information of the company is in accordance with Regulation S-X. And both the management (see “Management’s Discussion and Analysis” below) and the outside audit/accountant work thereon.

4. **The legal and miscellaneous information.** In connection with a bond offering, there are other factors that could be material to an investor's decision to invest or not. Such information I required to be included. For example, disclosure on taxation.

The following is a typical contents page from a 144A transaction:

- Certain Definitions, Conventions and Currency Presentation
- Notice Regarding Presentation of Financial Information
- Forward-Looking Statements
- Enforcement of Civil Liabilities
- Summary
- The Offering
- Summary Consolidated Financial and Operating Data
- Risk Factors
- Use of Proceeds
- Ratio of Earnings to Fixed Charges
- Capitalisation
- Our History and Corporate Structure
- Selected Consolidated Financial and Operating Data
- Management's Discussion and Analysis of Financial Condition and Results of Operations
- Business
- Regulation
- Our Directors
- Our Executive Officers
- Principal Shareholders
- Related Party Transactions
- Description of Material Indebtedness
- Description of the Notes
- Ratings
- Taxation
- Plan of Distribution
- Transfer Restrictions
- Legal Matters
- Independent Registered Public Accounting Firm
Marketing of an international bond offering

The marketing of an international bond offering by a new or infrequent issuer is usually conducted through a global roadshow meeting with international investors. The purpose of the roadshow is to introduce the company's credit highlights, business strategies and recent developments to investors, maximising investors' attention and interest in the proposed offering and guiding investors to purchase the securities at the pricing range set by the joint bookrunners.

Once the message is out, sales staff from the joint bookrunners will contact respective investors, providing them with time slots for meetings and investor luncheons as appropriate. For Reg S transactions, the target investors are usually based in Asia and Europe, so the roadshow locations for Reg S transactions usually include Hong Kong, Singapore and London. For 144A transactions, U.S. QIBs are also targeted so the roadshow team will also visit New York, Boston, and sometimes Los Angeles and San Francisco, in addition to Hong Kong, Singapore, and London.

After investor meetings, the sales teams from the joint bookrunners will follow up with respective investors for feedback. The feedback collected through a roadshow usually serves as an important indication for the joint bookrunners to formulate a pricing view before the book building process starts. With sufficient and constructive investor feedback, the joint bookrunners determine on the “initial price guidance” (which may continue to evolve as the deal progresses) to start the book building process with the issuer’s permission.

### 3. Book building of an international bond offering

The book building process of an international bond offering is essentially a pricing discovery process between the joint bookrunners and the global investors. The joint bookrunners’ objective in the book building process is to achieve the best pricing and sizing target for the issuer, commensurate with the issuer’s sizing, pricing, tenor, distribution and ongoing market objectives. The investors’ objective in the book building process is to discover and achieve the pricing that meets the investors’ risk and return targets.

The book building process usually starts with announcing the initial price guidance (“IPG”) or IPTs (initial price thoughts if book not open yet). The IPG is determined based on the feedback collected during the roadshow, market conditions and the secondary trading levels of the comparable notes on the day of book building, and a trade-off between the issuer’s pricing and sizing target. In order to generate stronger momentum, IPG given to the market may be “wider” (i.e. higher yield to investors) than the issuer’s and joint bookrunners’ pricing target. The
purpose is to encourage more investors to participate in the book building process and generate a larger order book.

Once the IPG is announced to the market, the sales team of each joint bookrunner will start to communicate with investors, collecting investors’ thoughts on orders and indicative pricing. Investors will then formulate their views on orders based on the IPG and usually they will add a pricing limit to their respective order.

For most Asian targeted USD deals, the book building process starts from Asia then goes to Europe and US (144A deal only). Investors in different locations will provide their respective order and pricing targets to sale teams of joint bookrunners. However, sometimes the book building process could also start from US (for some US targeted 144A / SEC Registered deals) or Europe (some EUR deals) and come back to Asia.

Once the joint bookrunners have collected sufficient orders and have a clearer view on investors’ thoughts of pricing, the joint bookrunners will decide and announce Final Price Guidance (“FPG”) to the market. The FPG provides a substantially closer guidance to the final pricing. With FPG, investors will leave their final orders and pricing limit to the joint bookrunners, allowing the joint bookrunners to decide and confirm the final price and size of the proposed transaction.

After all investors confirm their orders, the joint bookrunners will start allocating the bonds to investors, according to the issuer’s preference and joint bookrunners’ understanding of investors (partly based on behaviour in past transactions). “Buy-and-hold” investors are generally preferred over “opportunistic” investors who may immediately sell the notes once the notes start trading in the secondary markets in order to lock in profits.

Below are some general factors that bookrunners will consider when allocating new issues:

- Issuer’s specific preference
- Size of an investor’s expressed interest (both absolutely and relative to the investor’s portfolio or assets under management)
- Investor’s historical volume of transactions and trading behavior in past issues generally
- The nature and level of interest shown by the investor in the issuer and the particular offering, for example its involvement in road shows, and the quality and timeliness of feedback
- Timeliness of investor’s interest
- Any indication or belief that the investor has exaggerated the true extent of its interest in the expectation of being scaled down
- Category or description into which the investor falls (e.g. mutual fund, banks, hedge fund, trading); and
- Whether the investor had made a reverse inquiry in connection with the issuance and the importance of that investor’s participation to that issuance

Allocation should not be determined by the amount of trading, commission or other income received or expected by the firm from business with a particular investor client.

Finally, once all factors are confirmed, the deal would be considered priced. For investment grade transactions, the lead managers would also be required to lock in treasury rates at the time of pricing to determine the final yield of the proposed transaction.

**Timetable of the book building process of an international bond offering (for 144A/Regulation S international bonds)**

For Asian transactions, pricing usually takes place during early London afternoon (Regulation S) or early New York afternoon (Global/144A). In either case, investors globally are given the opportunity to consider participating in the transaction. Asian local currency transactions are priced during Asian trading hours. Occasionally, Regulation S USD deals are priced in the Asian time zone as well, highlighting the growing importance of the Asian investor base.
Below is a standard 144A transaction timetable:

<table>
<thead>
<tr>
<th>Time zone</th>
<th>Key work streams</th>
</tr>
</thead>
<tbody>
<tr>
<td>China / HK</td>
<td>UK&lt;sup&gt;(1)&lt;/sup&gt; NY</td>
</tr>
<tr>
<td>8:30 a.m.</td>
<td>- -</td>
</tr>
<tr>
<td>9:00 a.m.</td>
<td>- -</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>- -</td>
</tr>
<tr>
<td>02:30 p.m.</td>
<td>- -</td>
</tr>
<tr>
<td>03:00 p.m.</td>
<td>08:00 a.m. -</td>
</tr>
<tr>
<td>04:30 p.m.</td>
<td>09:30 a.m. -</td>
</tr>
<tr>
<td>05:00 p.m.</td>
<td>10:00 a.m. -</td>
</tr>
<tr>
<td>06:00 p.m.</td>
<td>11:00 a.m. -</td>
</tr>
<tr>
<td>08:00 p.m.</td>
<td>01:00 p.m. 08:00 a.m.</td>
</tr>
<tr>
<td>10:00 p.m.</td>
<td>03:00 p.m. 10:00 a.m.</td>
</tr>
<tr>
<td>11:00 p.m.</td>
<td>04:00 p.m. 11:00 a.m.</td>
</tr>
<tr>
<td>11:30 p.m.</td>
<td>04:30 p.m. 11:30 a.m.</td>
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<tr>
<td>11:45 p.m.</td>
<td>04:45 p.m. 11:45 a.m.</td>
</tr>
<tr>
<td>11:00 p.m.</td>
<td>04:00 p.m. 11:00 a.m.</td>
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<tr>
<td>11:30 p.m.</td>
<td>04:30 p.m. 11:30 a.m.</td>
</tr>
<tr>
<td>11:45 p.m.</td>
<td>04:45 p.m. 11:45 a.m.</td>
</tr>
<tr>
<td>00:00 a.m. (Day 2)</td>
<td>05:00 p.m. 12:00 p.m.</td>
</tr>
<tr>
<td>00:15 a.m. (Day 2)</td>
<td>05:15 p.m. 12:15 p.m.</td>
</tr>
<tr>
<td>00:30 a.m. (Day 2)</td>
<td>05:30 p.m. 12:30 p.m.</td>
</tr>
<tr>
<td>00:45 a.m. (Day 2)</td>
<td>05:45 p.m. 12:45 p.m.</td>
</tr>
</tbody>
</table>

- **Go/ No-Go Call with Company**
  - The company decides IPG
- **Announce IPG to the market**
- **joint bookrunners update company on market conditions and order book**
- **Asian book building closed subject to any overriding input**
  - joint bookrunners update the company on market conditions and Asian and European investor order book
- **Announce FPG to the market**
- **Europe book building subject**
- **US market opens**
- **US book building subject**
- **Asian book building closed subject to any overriding input**
  - joint bookrunners update the company on market conditions and overall investor order book
- **Determine final spread (Investment Grade) / yield (High Yield) and size**
  - Launch the transaction and start investor allocation
- **Announce investor allocation results**
- **Pre-pricing bring-down Due Diligence call**
- **Pricing<sup>(2)</sup>**
- **Finalise offering circular**
- **Execute and sign the purchase agreement (US practice)**
- **Execute and sign the comfort letters (US practice)**
- **Finalise the indenture (US practice) Eurobond practice is for docs execution at T+3**

Notes:

<sup>(1)</sup> UK timetable reflects summer times.

<sup>(2)</sup> The timing of final pricing will be subject to market conditions and book building profile on the pricing date.
B. Practices in the Chinese interbank bond market

1. Due diligence
2. Information disclosure
3. Book building
1. Due diligence

A. Definition of due diligence

Due diligence on debt financing instrument means that relevant intermediaries, on the principle of diligence, performance of responsibility and honesty, adopt various effective methods and steps to fully investigate the issuer. The purpose is to grasp the legal status of the issuer's qualifications, asset ownership, claims and debts and other major matters as well as its business, management and financial status, and make judgment on the issuer's will and capability of repayment, so as to reasonably confirm the authenticity, accuracy and completeness of the registration documents.

With the development of China's bond market and the continuous expansion of the interbank bond market, and according to the Administrative Rules on Debt Financing Instruments of Non-financial Enterprises issued by the People's Bank of China (PBC), National Association of Financial Market Institutional Investors (NAFMII) formulated the Guideline on the Due Diligence on Debt Financing Instruments of Non-financial Enterprises in the Interbank Bond Market (Guideline on the Due Diligence) and the Rules on Intermediary Service for Debt Financing Instruments of Non-financial Enterprises in the Interbank Bond Market (Rules on Intermediary Service) in April 2008 to standardize the due diligence conducted by lead underwriter of debt financing instruments of non-financial enterprises in the interbank bond market on the prospective issuers. The enactment of the above guidelines and rules further clarified the contents, methods, principles and requirements of due diligence and played a positive role in standardizing this work.

B. Effect of due diligence

(i) Effect of due diligence on investors

For investors, due diligence can reduce information asymmetry between investors and the issuer, provide information for investors to identify investment risks, and help them reasonably price the debt financing instruments.

(ii) Effect of due diligence on issuers

Due diligence can help issuers provide more sufficient and reliable information for the market, which is good for faithfully reflecting the issuer's risk level and promoting reasonable pricing of debt financing instruments.

(iii) Effect of due diligence on intermediaries

Due diligence conducted by lead underwriter is the basis and core of the due diligence on debt financing instruments. It provides overall guidance and reference for the due diligence conducted by other intermediaries.

C. Main contents of due diligence

In the Chinese interbank bond market, due diligence on finance and business is carried out by the lead underwriter with assistance from accountants.

Due diligence conducted by lead underwriter is the basis and core of the due diligence on debt financing instruments. It is featured by the largest scope and highest quality requirement compared with due diligence conducted by other intermediaries.

The purpose of due diligence conducted by lead underwriter is to prudently verify the authenticity, accuracy and completeness of the registration documents of debt financing instruments, ensure the quality of information disclosure for the issuance of debt financing instruments, and lay the foundation for offering advice to issuers on the issuance of debt financing instruments. The key meaning of lead underwriter's due diligence is to reduce information asymmetry on debt financing instruments and improve market efficiency. This includes reducing information asymmetry between investors and the issuer, promoting the reasonable pricing of debt financing instruments and lowering the operating cost; reducing information asymmetry between NAFMII and the issuer, improving the efficiency of self-regulation, and lowering the cost of self-discipline; identifying the issuer's investment highlights, urging it to improve the capability of information disclosure and standardized operation, and helping it lower the
financing cost; lowering the regulatory, underwriting and reputational risks faced by lead underwriter; and providing the overall guidance and reference for the due diligence conducted by other intermediaries.

In the Chinese interbank bond market, the lead underwriter assists the issuer in writing the prospectus of debt financing instruments. The issuer’s attorneys carry out due diligence and issue the Legal Opinion based on the results, which concerns the following main matters: whether the registration procedures stipulated by NAFMII have been fulfilled for the issuance of debt financing instruments and whether the registration notice issued by NAFMII has been received; whether the issuer has made the legal and valid decision to apply for registration and issuance of debt financing instruments according to its Articles of Association or similar documents; the legality of underwriting arrangements and legal papers, etc.

D. Main stages of due diligence

Due diligence is a special duty of all agencies. Agencies that participate in the issuance of debt financing instruments shall perform their duties and observe professional ethics. They shall abide by the following principles in the process of due diligence: (1) independence; (2) comprehensiveness; (3) objectivity; (4) importance; (5) flexibility; (6) prudence; (7) confidentiality; and (8) cooperation.

Due diligence on debt financing instruments conducted by lead underwriter usually includes preliminary due diligence, comprehensive due diligence and tracking due diligence. Preliminary due diligence refers to the basic investigation conducted by lead underwriter when undertaking the business to judge whether the issuer is qualified to issue debt financing instruments. Comprehensive due diligence refers to the process in which the lead underwriter comprehensively understands the issuer, fully understands its operation, risks and problems, has sufficient reasons to believe it is qualified to issue debt financing instruments, and confirms the authenticity, accuracy and completeness of the registration documents and prospectus. Tracking due diligence refers to that in the duration of debt financing instruments, the leader underwriter has to pay consistent attention to the enterprise’s profitability, industrial trend and correction to problems mentioned in the due diligence, and adjust the scheme depending on the correction.

E. Procedures of due diligence

According to NAFMII’s existing self-regulatory rules and in reference to market practice, due diligence process mainly includes the following aspects:

(i) Building a team: the investigation team is mainly composed of people from the lead underwriter’s headquarters and those from its branches can provide assistance;

(ii) Making work plan and holding project kickoff meeting: the work plan mainly includes objective, scope, approach, time and process of work, division of duty, personnel, etc.;

(iii) Submitting list of due diligence: submitting the list of due diligence is an important step of due diligence. The issuer has to prepare materials according to the list and submit the materials to the due diligence team within the specified time;

(iv) Interview: on the basis of a preliminary analysis of the obtained due diligence materials, an interview outline shall be prepared and submitted to the enterprise in advance. The outline includes doubts about the materials and some questions on which interviews can help better understand corporate information;

(v) Drawing conclusion about due diligence: the lead underwriter shall put together a draft according to the obtained due diligence materials and records of interviews;

(vi) Tracking due diligence: this includes regular tracking due diligence and irregular tracking due diligence.
F. List of files for due diligence

The following list of common files for due diligence is provided for reference only.

(i) Basic corporate materials
   (1) Articles of Association; (2) Brief introduction of corporate history and chart of equity structure; (3) Duplicate
   of business license and certificate of organization code; (4) Organizational structure and descriptions of
   departmental functions; (5) List of members of the board of directors, board of supervisors and senior
   executives, and their resume; (6) Age structure and educational background of employees; (7) Qualifications
   obtained by the company; (8) Certificate of tax payment.

(ii) Business materials
   (1) Materials about corporate operation; (2) Work summaries; (3) Materials about future expenditure; (4)
   Future plans for asset acquisition and sale; (5) Main corporate regulations; (6) Strategic plans and business
   development plans for the company.

(iii) Financial materials
   (1) Audited financial statements in the past three years; (2) Number of cooperative banks, credit line, content
   and term of credit, unused credit line; (3) Details of guarantee provided by the company and information
   on important guaranteed enterprises; (4) Affiliates and related-party transactions of the company; (5)
   Information on the company's restricted assets; (6) Major outbound commitments made by the company;
   (7) Information on major lawsuits and other major matters concerning the company; (8) Information on major
   wealth management, investment and derivative transaction conducted by the company; (9) Information on
   the company's overseas assets; (10) Information on the company's direct debt financing and future financing
   plans.

(iv) Materials about the industry the company engages in:
   (1) Impacts of macro-economic situation on the industry the issuer engages in; (2) Local economic situation;
   (3) Overview of industrial development and competition (materials about main competitors), materials about
   industrial cycle, important industrial policies; (4) Materials that can prove the industrial standing of the issuer.

2. Information disclosure

If the issuer adopts public offering or private placement to register debt financing instruments, it shall prepare
the registration documents in accordance with the requirements of the appropriate form system. The specific
requirements of registration documents and information disclosure are as follows:

i. The Form System for Public Offering

1. The Form System includes the list of registration documents and information disclosure forms.

   The details are as follows:

   1) The list of registration documents lists the written materials that shall be submitted to National Association
   of Financial Market Institutional Investors (NAFMII) for the registration or filing for the issuance of debt
   financing instruments.

   2) The contents of the information disclosure forms are the minimum information disclosure requirements of
   registration documents, including Form M (prospectus disclosure form), Form G (issuance announcement
   disclosure form), Form J (issuance plan disclosure form), Form C (financial statement disclosure form),
   Form F (legal opinion disclosure form), Form P (rating report disclosure form), and Form Z (credit
   enhancement disclosure form). Each form is named by the initials of the phonetic alphabets of the key
   words of its Chinese name.

   The sub-forms of Form M include Form M.1 (the information disclosure form relating to production safety), Form
   M.2 (the information disclosure form relating to non-standard unqualified audit report), Form M.3 (the information
   disclosure form relating to related party transaction), Form M.4 (the information disclosure form relating to
restructuring of major assets), and Form M.5 (the information disclosure form relating to credit enhancement). The sub-forms of Form P include Form P.1 (the information disclosure form relating to corporate credit rating report), Form P.2 (the information disclosure form relating to debt rating report), Form P.3 (the information disclosure form relating to the rating of credit enhancement agency) and Form P.4 (the information disclosure form relating to follow-up rating report). The sub-forms of Form Z include Form Z.1 (the information disclosure form relating to the letter of credit enhancement) and the like.

2. The enterprises, the intermediaries providing professional services, and the related personnel shall prepare the registration documents in an order and give professional opinions in accordance with the relevant laws and regulations, normative documents and rules of self-regulation and shall bear legal liability for the registration documents and opinions that they issue.

1) The accounting firm shall audit the enterprise and issue an audit report in accordance with the relevant provisions.

2) The accounting firm shall give a definite opinion on the relevant matter in the legal opinion on the basis of adequate due diligence.

3) The rating agency shall issue the rating report in accordance with the Guiding Opinions of the People's Bank of China for the Management of Credit Rating, the Self-disciplinary Guidelines for Credit Rating Business in the Debt Financing Instrument Market, and other relevant provisions.

4) The credit enhancement agency shall issue the credit enhancement documents in accordance with the Rules on Self-disciplinary Management of Credit Enhancement Business in China's Interbank Market and other relevant provisions.

5) The lead underwriter shall fill in the list of registration documents and information disclosure forms in accordance with the requirements of this Notice.

3. The lead underwriter shall fill in the sub-forms based on the actual situation of debt financing instruments; the enterprises and related intermediaries shall further disclose the relevant information in accordance with applicable sub-forms.

4. Where the enterprise prepares the financial statement in accordance with the Accounting Standards for Business Enterprises and the Guidelines on the Application (the “new accounting standards”), it shall fill in Form C. Where the enterprise is in a special industry and prepares the financial statement in accordance with the Enterprise Accounting Rules, the Industrial Enterprise Accounting Rules and other provisions (“the old accounting system”), it shall comply with the relevant accounting standards and systems and can do without filling in Form C.

5. The lead underwriter shall fill in the forms according to the following requirements:

1) List of registration documents: The name of issuer, term of debt financing instrument, number of issues, and variety shall be filled in on the top of the form of list of registration documents. Where the documents corresponding to “Document type” are available, tick (✓) the corresponding places below the “Registration” or “Filing.”

2) Catalog of information disclosure forms: Tick the applicable form (multiple choices) and fill in the form selected based on the different scenarios listed below the “Applicable scope.” For example, the enterprise which has a work safety accident and the audit report is non-standard unqualified, it shall tick M.1 and M.2 below the “Options” item in the catalog of Form M and fill in the above forms.

3) Page: The specific page range of the disclosed part in the document shall be filled in below the “Page” item. For example, the part of “Risk warning and notes” in the prospectus is from page 5 to page 9, fill in “5-9” in the place corresponding to M-2 and below the “Page” item.

4) Notes: For the inapplicable information or matter that shall be specially explained, explain in the appropriate place below the “Notes” item.

5) Signed and sealed by the related personnel of the lead underwriter: After confirming that the list of registration documents and information disclosure forms are completely filled in and all relevant
documents are available, the leader of the related department, team leader and related personnel of the lead underwriter shall separately sign or seal the item of “Signed and sealed by the related personnel of the lead underwriter.”

6) Signed and sealed by the lead underwriter: The item “Signed and sealed by the lead underwriter” in the list of registration documents shall be stamped with the official seal of the relevant business department of the lead underwriter. The list of registration documents and information disclosure forms shall be stamped with the official seal (cross-page seal) of the relevant business department of the lead underwriter.

ii. List of Registration Documents

(No._____ Issue of_____of_____Company in____)

<table>
<thead>
<tr>
<th>No.</th>
<th>Document type</th>
<th>Options</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y-1</td>
<td>Registration statement</td>
<td></td>
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<tr>
<td></td>
<td>- Attached with the business license</td>
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<td></td>
<td>- Attached with the Articles of Association and the consistent resolution of the competent authority</td>
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<td></td>
<td>- Attached with the decryption instruction (if any) of the related enterprise</td>
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<tr>
<td>Y-2</td>
<td>Recommendation letter</td>
<td></td>
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<tr>
<td>Y-3</td>
<td>Prospectus</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y-4</td>
<td>Issuance announcement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y-5</td>
<td>Issuance plan (if any)</td>
<td></td>
<td></td>
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<tr>
<td>Y-6</td>
<td>Latest issue of financial statement</td>
<td></td>
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<tr>
<td></td>
<td>Audited financial statement and accounting statement of the parent company in 20___</td>
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<td>Audited financial statement and accounting statement of the parent company in 20___</td>
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<td></td>
<td>Audited financial statement and accounting statement of the parent company in 20___</td>
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<tr>
<td>Y-7</td>
<td>Corporate credit rating report (if any)</td>
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<td></td>
<td>Debt credit rating report</td>
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<td></td>
<td>Follow-up rating arrangements</td>
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<tr>
<td>No.</td>
<td>Document type</td>
<td>Options</td>
<td>Notes</td>
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<tr>
<td>Y-8</td>
<td>Credit enhancement letter (if any)</td>
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<td>- Attached with the resolution of the competent authority and the relevant</td>
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<td></td>
<td>internal control system</td>
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<td></td>
<td>Credit enhancement agreement (if any)</td>
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<td></td>
<td>Latest issue of accounting report (if any) of the credit enhancement agency</td>
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<td>Audited financial statement of the credit enhancement agency and accounting</td>
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<td>statement of the parent company (if any) in 20__</td>
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<td>Audited financial statement of the credit enhancement agency and accounting</td>
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<td>statement of the parent company (if any) in 20__</td>
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<td></td>
<td>Audited financial statement of the credit enhancement agency and accounting</td>
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<tr>
<td></td>
<td>statement of the parent company (if any) in 20__</td>
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<tr>
<td></td>
<td>Corporate credit rating report and follow-up rating arrangements (if any) of</td>
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<tr>
<td></td>
<td>the credit enhancement agency</td>
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<tr>
<td>Y-9</td>
<td>Legal opinion</td>
<td></td>
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<tr>
<td>Y-10</td>
<td>Annexes to the underwriting agreement</td>
<td></td>
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</tr>
<tr>
<td>Y-11</td>
<td>Agreement on the supervision of sinking fund special account (if any)</td>
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</tbody>
</table>

**Notes**

- Signed and sealed by the related personnel of the lead underwriter
- Signed and sealed by the lead underwriter
- Recipient of NAFMII ____________(MM/DD/YYYY)

**Notes:**

1. For the filing items, only the most recent year of audited financial statement and the latest issue of financial statement of the company and the credit enhancement agency (if any) need to be submitted.

2. For the SCP items, where the enterprise has disclosed an effective corporate rating report, recent three years of audited financial statements and latest issue of accounting statement in the interbank bond market, it may choose not to submit them again.
### iii. Information Disclosure Forms

1. Form M (prospectus disclosure form)

#### Table of Contents

<table>
<thead>
<tr>
<th>Name of form</th>
<th>Applicable scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>Basic corporate information is disclosed.</td>
</tr>
<tr>
<td>M.1</td>
<td>Where the enterprise belongs to a high-risk industry or has a work safety accident as stated in the Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents (Order No. 493 of the State Council) and the Notice of the State Council on further Strengthening the Work Safety Work of the Enterprises (GF [2010] No. 23) in recent three years and the latest issue, it shall further disclose information according to Form M.1. For the high-risk industries, see the regulations by the State Administration of Work Safety.</td>
</tr>
<tr>
<td>M.2</td>
<td>Where the enterprise's audit reports in recent three years have a non-standard unqualified opinion, it shall further disclose information according to Form M.2.</td>
</tr>
<tr>
<td>M.3</td>
<td>Where the enterprise is involved in related party transactions, it shall further disclose information according to Form M.3.</td>
</tr>
<tr>
<td>M.4</td>
<td>Where the enterprise is involved in restructuring of major assets, it shall further disclose information according to Form M.4.</td>
</tr>
<tr>
<td>M.5</td>
<td>Where the debt financing instrument is involved in credit enhancement, the enterprise shall further disclose information according to Form M.5.</td>
</tr>
<tr>
<td>No.</td>
<td>Elements of information</td>
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</tr>
<tr>
<td>M-0</td>
<td>Title page and table of contents</td>
</tr>
<tr>
<td>M-0-1</td>
<td>The current debt financing instrument has been registered with NAFMII. Nevertheless, registration does not mean NAFMII makes any comment on the investment value of the current debt financing instrument or judge its investment risk in whatever form. Before buying the current debt financing instrument, the investor shall carefully read this prospectus and relevant information disclosure document, independently analyze the authenticity, accuracy, integrity and timeliness of the information disclosure, judge the investment value at its own discretion, and exclusively undertake any subsequent investment risk.</td>
</tr>
<tr>
<td></td>
<td>The board of directors (or entity assuming the same responsibility) has approved the prospectus, and all directors (or persons assuming the same responsibility) warrant that the prospectus contains no false information, misleading statement or material omission, and bear the joint and several legal liability for the authenticity, accuracy, integrity and timeliness of the prospectus.</td>
</tr>
<tr>
<td></td>
<td>The leader of the enterprise, the leader supervising the accounting work and the leader of the accounting department warrant the authenticity, accuracy, integrity and timeliness of the financial information contained in the prospectus.</td>
</tr>
<tr>
<td></td>
<td>Any person shall be considered as willing to accept the provisions of this prospectus regarding various rights and obligations by obtaining and holding the current debt financing instrument through subscription, acceptance of transfer and other legitimate means.</td>
</tr>
<tr>
<td></td>
<td>The issuer undertakes to perform its obligations in line with laws, regulations and the prospectus, and accept the supervision from investors.</td>
</tr>
<tr>
<td></td>
<td>The issuer involved in secrets shall present that “this Company warrants that all the information disclosed by this Company for the issuance of the debt financing instrument does not involve national secrets, and this Company shall exclusively undertake any consequence arising out of the public information disclosure.” (if any)</td>
</tr>
<tr>
<td></td>
<td>The issuer has not incurred any other material events affecting solvency until the signing date of the prospectus, except for the disclosed information.</td>
</tr>
<tr>
<td>M-0-2</td>
<td>The table of contents marks titles of relevant chapters and sections as well as corresponding pages.</td>
</tr>
<tr>
<td>M-1</td>
<td>Chapter 1 Terms and Definitions</td>
</tr>
<tr>
<td>M-1-1</td>
<td>Define name abbreviations and special terms that will possibly hinder investors’ understanding and have special meanings.</td>
</tr>
<tr>
<td>M-2</td>
<td>Chapter 2 Risk Alert and Statement</td>
</tr>
<tr>
<td>M-2-1</td>
<td>Investment risks – interest rate risk, liquidity risk and solvency risk.</td>
</tr>
<tr>
<td>No.</td>
<td>Elements of information</td>
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<tr>
<td>M-2-2</td>
<td>Financial risk – Mainly refer to the risk arising out of financial factors such as unreasonable asset structure, liability structure and other financial structures of the issuer; poor liquidity of assets; excessive expansion of debt size; significant increase in capital expenditure in future; uncertain future return from the project; high proportion of restricted assets; high proportion of non-reoccurring profit and loss; big change in fair value of derivatives; high contingent liabilities; and significant change in material accounting subjects.</td>
</tr>
<tr>
<td></td>
<td>Operating risk – Mainly refer to the risk arising out of changes in the market prospect or operating environment relating to the product or service of the issuer; fluctuation of product supply and demand as well as raw material prices; intensification of competition in the industry; influence of the business cycle or product lifecycle; market saturation or market isolation; excessive dependence on single market; decline of market share; and changes in exchange rate and trade environment for the issuer with a large import and export business size.</td>
</tr>
<tr>
<td></td>
<td>Management risk – Mainly refer to the risk arising out of the instability of the management level, management system and management policy of the issuer as a result of unsound organizational structure and management system, competition and material related transactions with controlling shareholder and other important related parties, high guarantee amount, large number of subsidiaries, operation across industries, complex internal equity relations, possible change or asset restructuring at important shareholders after issuance and potential work safety accident faced by high-risk industries.</td>
</tr>
<tr>
<td></td>
<td>Policy risk – Mainly refer to concrete policy-related risk incurred by the issuer as a result of possible changes in laws, regulations and policies of the state, such as the impact on the issuer from changes in the fiscal policy, financial policy, land use policy, industrial policy, industry regulation policy, environmental protection policy, taxation system, business licensing system, foreign exchange system, charge system, international antidumping policy, anti-subsidy or special safeguard measures, and policy differences between countries.</td>
</tr>
<tr>
<td>M-2-3</td>
<td>Specific risk – Other specific risks relating to the current debt financing instrument issue.</td>
</tr>
<tr>
<td>M-3</td>
<td>Chapter 3 Issuance Articles</td>
</tr>
<tr>
<td>M-3-1</td>
<td>Major issuance articles – Full name of debt financing instrument, full name of issuer, debt financing balance repayable of issuer, registration notice number, term, face value, issuing price or interest rate pricing method, target investor, underwriting mode, issuance method, issuance date, value date, redemption price, redemption method, redemption date, credit rating agency, credit rating result, redemption article or sell back article (if any), and credit enhancement.</td>
</tr>
<tr>
<td>M-3-2</td>
<td>Issuance arrangement – Book building (tendering) arrangement, distribution arrangement, payment and settlement arrangement, registration and depository arrangement, listing arrangement and others.</td>
</tr>
<tr>
<td>No.</td>
<td>Elements of information</td>
</tr>
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<tr>
<td>M-4</td>
<td>Chapter 4 Use of Funds Raised</td>
</tr>
<tr>
<td>M-4-1</td>
<td>Purpose of funds raised – Disclose the name of the entity using the funds raised, amount and gap calculation; and if the funds raised are used for a project, it is required to disclose the project information, including basic content, investment amount, availability of proprietary capital and capital, construction plan, current status and approval of land, environmental protection and project initiation (approval documents serve as the reference);</td>
</tr>
<tr>
<td>M-4-2</td>
<td>Warranty – Use the funds for production and operation activities of the issuer complying with the requirements of the laws, regulations and policies of the state, and disclose relevant information in a timely manner before changing the purpose of the funds raised during the duration of the debt financing instrument.</td>
</tr>
<tr>
<td>M-5</td>
<td>Chapter 5 Enterprise Overview</td>
</tr>
<tr>
<td>M-5-1</td>
<td>Overview – Registered name, legal representative, registered capital, date of establishment (company registration), company registration number, domicile, postal code, telephone number and fax number.</td>
</tr>
<tr>
<td>M-5-2</td>
<td>Historical evolution – With the succession of major entities as the master line, disclose the establishment, historical evolution and reorganization of the enterprise as well as historical changes in the equity structure; disclose important events representing the progress of the enterprise in different historical periods, including shareholding reform, material capital increase or decrease, merger, separation, bankruptcy restructuring and name change.</td>
</tr>
<tr>
<td>M-5-3</td>
<td>Controlling shareholder and actual controller – Overview and shareholding ratios. The actual controller shall be disclosed to the extent of the final state-owned controlling entity or natural person.</td>
</tr>
<tr>
<td></td>
<td>If the controlling shareholder or actual controller is a natural person – Disclose his name, brief background and pledge of shares in the issuer, and disclose major investments of the natural person in other enterprises and his relations with other majority shareholders.</td>
</tr>
<tr>
<td></td>
<td>If the controlling shareholder or actual controller is a legal person – Disclose the name, establishment date, registered principal, principal operation, asset size, revenue and profit of the legal person as well as changes and pledges of enterprise shares held by the legal person.</td>
</tr>
<tr>
<td>M-5-4</td>
<td>Independence – Disclose mutual independence with the controlling shareholder in asset, personnel, organization, finance, business operation and other aspects.</td>
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<td>No.</td>
<td>Elements of information</td>
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<tr>
<td>M-5-5</td>
<td>Important equity investments – Disclose shareholding ratios in consolidated subsidiaries, and disclose the reason for including subsidiaries with the shareholding ratios below 50% in the scope of consolidation or not including subsidiaries with the shareholding ratios above 50% in the scope of consolidation.</td>
</tr>
<tr>
<td></td>
<td>Subsidiaries having material influence on the enterprise – Disclose their basic information, principal operations and major financial data (including assets, liabilities, owners’ equity, revenue and net profit) over the past year as well as changes in the aforesaid items and reasons.</td>
</tr>
<tr>
<td></td>
<td>Major companies with equity participation and related parties having important influence on the enterprise – Disclose enterprises with equity participation involving a high proportion in revenue and assets as well as other related parties having material influence on the enterprise in the same way as subsidiaries.</td>
</tr>
<tr>
<td>M-5-6</td>
<td>Governance structure – Governance structure, organizational structure and operation, including major functional departments, businesses or business divisions and branches.</td>
</tr>
<tr>
<td></td>
<td>Internal control system – Disclose names and core contents of internal control system, including budget management, financial management, material investment/financing decision, guarantee policy, related transaction policy and internal control over assets, personnel and finance of subsidiaries.</td>
</tr>
<tr>
<td>M-5-7</td>
<td>Basic personnel information of enterprise – Disclose staff status, disclose names, positions and terms of directors, supervisors and senior management members, and disclose resumes of senior executives. State whether or not senior executives are arranged in conformity with the Company Law, relevant laws, regulations and the articles of association.</td>
</tr>
<tr>
<td>M-5-8</td>
<td>Business segment – Disclose operating revenue, operating cost, gross profit, gross profit margin and contribution of specific business segment over the past three years and the most recent period.</td>
</tr>
<tr>
<td></td>
<td>For principal operation contributing over 10% of the revenue from principal operation or contributing over 10% of the gross profit in the most recent year or period, disclose its profiting mode, upstream and downstream industrial chain, production and sales regions, key technical process and industrial position in the past three years and the most recent period. Disclose key indicators that can prove its position and operating advantages in the industry, and state relevant data sources.</td>
</tr>
<tr>
<td>M-5-9</td>
<td>Construction in progress – Take the form of list to disclose names, investment amounts, completed amounts and compliance of major constructions in progress. For the construction in progress delivering a material influence on the production and operation of the enterprise, disclose its basic content, investment amount, construction plan, current status and availability of proprietary fund and capital.</td>
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<tr>
<td></td>
<td>Proposed construction – Name, investment amount, investment plan and investment progress of the investment project to be built in future.</td>
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<tr>
<td>M-5-10</td>
<td>Development strategy – Disclose the development strategy planning in the following 3-5 years.</td>
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</table>
### No. Elements of information

<table>
<thead>
<tr>
<th>M-5-11</th>
<th>Industry status – For the principal operation contributing over 10% of the revenue from principal operation or contributing over 10% of the gross profit in the most recent year or period, disclose its industry status, industry prospect, industry policy and competitive landscape.</th>
</tr>
</thead>
<tbody>
<tr>
<td>M-6</td>
<td>Chapter 6 Major Financial Standings of Enterprise</td>
</tr>
<tr>
<td>M-6-1</td>
<td>Disclose the audited financial reports over the past three years and the accounting statements for the most recent period as to accounting basis, material accounting policy change, audit status and change in scope of statement consolidation. Disclose the reason for the change in the accounting firm or the scope of statement consolidation, if any.</td>
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</tbody>
</table>
  - Take the form of list to disclose the balance sheet, income statement and cash flow statement over the past three years and the most recent period, and specify data sources. If the enterprise prepares the consolidated financial statements, the enterprise shall simultaneously disclose the consolidated financial statements and the financial statements of the parent. |
| M-6-2 | Analysis of material accounting subjects – Disclose the asset-liability structure statement over the past three years and the most recent period. Analyze the change and reason for the change relating to the asset subject contributing over 10% of total assets, or the liability subject contributing over 10% of total liabilities or the accounting subject suffering a change above 30% over the past year and the most recent period. |
  - Analysis of important financial indicators – Solvency, profitability, operating efficiency and other financial indicators as well as the reason for their changes, if any, over the past three years and the most recent period. |
<p>| M-6-3 | Interest-bearing liabilities – Balance, term structure and guarantee structure of interest-bearing liabilities at the end of the most recent year as well as value date, maturity date and financing interest rate of major liability. Issuance of direct debt financing securities during duration (including issuances of the issuer and other consolidated enterprises of group parent). |
| M-6-4 | Related transaction – If the issuer is involved in related transactions, please refer to Schedule M.3. |
| M-6-5 | Contingencies – Disclose external guarantees, pending litigations (arbitrations), material commitments and other contingencies in the most recent period. |
| M-6-6 | Restricted assets – Disclose the mortgage, pledge, lien and other purpose restrictions over assets in the most recent period as well as other priority of debt repayment that can challenge third persons. The disclosure contents include but are not limited to asset names, mortgagee/pledgee, book-entry value of asset and term. |
| M-6-7 | Derivatives – Disclose names, trading purpose, trading structure, nominal principle and profit/loss of the derivatives held in the most recent period. |
| M-6-8 | Material investment and wealth management products – Disclose names, trading purpose, trading structure, nominal principle and profit/loss of the material investment and wealth management products held in the most recent period. |
| M-6-9 | Overseas investment – Disclose the content, amount, plan, current status and relevant operating data of the overseas investment in the most recent period. |
| M-6-10 | Direct debt financing plan – Disclose the amount, progress and issuance plan relating to the direct debt financing plan. |</p>
<table>
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<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
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<td>M-7</td>
<td>Chapter 7 Credit Standing of Enterprise</td>
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<tr>
<td>M-7-1</td>
<td>Rating – Disclose the historical entity rating, rating agency and rating conclusion of debt financing in the past three years as well as meanings of rating symbols.</td>
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<tr>
<td>M-7-2</td>
<td>Credit facility – Line of credit, used line of credit and unused line of credit granted by major loan banks.</td>
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<tr>
<td>M-7-3</td>
<td>Default record – Amount, time, reason and resolution progress of debt default over the past three years and the most recent period.</td>
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<td>M-7-4</td>
<td>Historical issuance and repayment of direct debt financing instruments.</td>
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<td>M-8</td>
<td>Chapter 8 Credit Enhancement of Debt Financing Instrument</td>
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<tr>
<td>M-8-1</td>
<td>Please refer to Schedule M5 if the debt financing instrument contains credit enhancement.</td>
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<td>M-9</td>
<td>Chapter 9 Taxes</td>
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<td>M-9-1</td>
<td>Taxes payable on the investment in debt financing instrument – Taxes, tax basis and payment mode.</td>
<td></td>
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<tr>
<td>M-9-2</td>
<td>Presentation – The listed tax items do not constitute tax advice or tax basis for investors.</td>
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<tr>
<td>M-10</td>
<td>Chapter 10 Information Disclosure Arrangement</td>
<td></td>
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</tr>
<tr>
<td>M-10-1</td>
<td>Information disclosure arrangement – Basis of information disclosure, disclosure time, disclosure content, material event information disclosure, regular information disclosure during duration, principal repayment and interest payment. The disclosure time shall be no later than the time of public disclosure through the stock exchange, designated media or other occasions.</td>
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<tr>
<td>M-11</td>
<td>Chapter 11 Investor Protection Mechanism</td>
<td></td>
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</tr>
<tr>
<td>M-11-1</td>
<td>Default event</td>
<td></td>
<td></td>
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<tr>
<td>M-11-2</td>
<td>Liability for breach</td>
<td></td>
<td></td>
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<tr>
<td>M-11-3</td>
<td>Investor protection mechanism</td>
<td></td>
<td></td>
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<tr>
<td>M-11-4</td>
<td>Force majeure</td>
<td></td>
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<tr>
<td>M-11-5</td>
<td>Abstention</td>
<td></td>
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</tr>
<tr>
<td>M-12</td>
<td>Chapter 12 Issuance-related Institutions</td>
<td></td>
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</tr>
</tbody>
</table>
### Elements of information

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
</tr>
</thead>
</table>
| M-12-1 | Disclose names, domiciles, legal representatives, telephone numbers and fax numbers of the following institutions as well as names of relevant handling persons:  
- Enterprise  
- Lead underwriter and other underwriting institutions  
- Law firm (if any)  
- Accounting firm (accounting firm issuing the audit reports for the past three years)  
- Credit rating agency (if any)  
- Credit enhancement institution (if any)  
- Registration, depository and clearing agency  
- Other institutions relating to issuance  
  Relations between enterprise and related institutions – Disclose direct or indirect equity relations and other material interest relations between the enterprise and relevant intermediaries as well as their principals, senior executives and handling persons, and if no such relations, the enterprise shall disclose relevant statement. |
| M-13   | Chapter 13 Reference Documents                                                                                                                                                                                                                                                                                                                            |
| M-13-1 | Reference documents – Registration notice, public disclosure document and relevant approval document on the project funded with the funds raised.                                                                                                                                                                                                                 |
| M-13-2 | Inquiry address – Enterprise and lead underwriter.                                                                                                                                                                                                                                                                                                         |
| M-13-3 | Website – Websites recognized by NAFMII.                                                                                                                                                                                                                                                                                                                   |

### Remarks

**Main Text**  
**Schedule M.1 (information disclosure schedule involving work safety)**

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
</tr>
</thead>
</table>
| M.1-1     | Chapter 2 Risk Alert and Statement  
In M-2-2, the issuer shall disclose potential risks relating to work safety, and disclose the information on material work safety accidents that have happened.                                                                                                                                                                                                 |
| M.1-2     | Chapter 5 Enterprise Overview  
In M-5-6, the disclosure shall disclose the internal control system and relevant emergency response plan relating to work safety.  
In M-5-8, the issuer shall disclose concrete measures relating to work safety management and their implementation.  
In M-5-8, the issuer shall disclose work safety inspection records over the past three years and the most recent period, and if the issuer has incurred a work safety accident, the issuer shall disclose basic information of the accident, determination of relevant state authority for accident reason and nature, relevant remediation requirement for the issuer and subsequent inspection and acceptance. |

### Remarks
Schedule M.2 (information disclosure schedule involving audit report bearing the unmodified unqualified opinion)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.2-1</td>
<td>Title page</td>
<td></td>
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<tr>
<td></td>
<td>In M-0-1, the issuer shall present that “XXX Accounting Firm has issued an audit report with the XXX (audit report type) on the financial report of the Enterprise for XXXX, and we are hereby reminding the investors to carefully read through the audit report and relevant annotations on financial statements. This Enterprise has stated relevant affairs in detail. Please read carefully.”</td>
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</tr>
<tr>
<td>M.2-2</td>
<td>Chapter 6 Major Financial Standings of Enterprise</td>
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<tr>
<td></td>
<td>In M-6-1, the issuer shall remind the audit report type is one with the unmodified unqualified opinion, and disclose the extent of impact on the company, concrete measures to eliminate the event and its impact, current implementation status and subsequent measures.</td>
<td></td>
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</tr>
<tr>
<td>M.2-3</td>
<td>Chapter 14 Appendixes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The accounting firm and the issuer shall provide special statement on the event involved in the audit report with the unmodified unqualified opinion respectively. The contents include but are not limited to the basis of the opinion and the extent of impact on the issuer.</td>
<td></td>
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</tbody>
</table>

Remarks

Schedule M.3 (information disclosure schedule involving related transaction)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>M.3-1</td>
<td>Chapter 2 Risk Alert and Statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Disclose related transaction risk in M-2-2.</td>
<td></td>
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<tr>
<td>M.3-2</td>
<td>Chapter 5 Enterprise Overview</td>
<td></td>
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<tr>
<td></td>
<td>In M-5-6, the issuer shall disclose the contents of the related transaction policy, including without limitation to pricing principle, decision-making procedure and decision-making mechanism.</td>
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</tr>
<tr>
<td>M.3-3</td>
<td>Chapter 6 Major Financial Standings of Enterprise</td>
<td></td>
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<tr>
<td></td>
<td>In M-6-2, the issuer shall further disclose the contents and changes of accounts payable, accounts receivable, other payables, other receivables, cash flow and other subjects relating to operating activities.</td>
<td></td>
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<tr>
<td></td>
<td>In M-6-4, the issuer shall disclose related transactions as to overview, reason, pricing basis, settlement mode, impact and fund occupation over the past year.</td>
<td></td>
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</tbody>
</table>

Remarks

Schedule M.4 (information disclosure schedule involving material asset restructuring)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>M.4-1</td>
<td>Chapter 2 Risk Alert and Statement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>In M-2-2, the issuer shall disclose potential risk arising out of the material asset restructuring.</td>
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<td>No.</td>
<td>Elements of information</td>
<td>Page</td>
<td>Notes</td>
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<tr>
<td>M.4-2</td>
<td>Chapter 5 Enterprise Overview</td>
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<td></td>
<td>In M-5-2, the issuer shall disclose the asset restructuring plan, current stage, completed legal procedure, compliance of restructuring process and influence on the qualification as the debt financing instrument issuer and validity of its resolutions.</td>
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<tr>
<td>M.4-3</td>
<td>Chapter 6 Major Financial Standings of Enterprise</td>
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<td></td>
<td>In M-6-1, the issuer shall disclose comparable financial data over the past three years and the most recent period.</td>
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<td></td>
<td>In M-6-2, the issuer shall analyze the influence of the restructuring on its production, operation and solvency.</td>
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</table>

**Remarks**

Schedule M.5 (information disclosure schedule involving credit enhancement)

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<th>No.</th>
<th>Elements of information</th>
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<th>Notes</th>
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<tbody>
<tr>
<td>M.5-1</td>
<td>Chapter 2 Risk Alert and Statement</td>
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<tr>
<td></td>
<td>In M-2-3, the issuer shall disclose the specific risk relating to the credit enhancement of the current debt financing instrument.</td>
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<tr>
<td>M.5-2</td>
<td>Chapter 8 Credit Enhancement of Debt Financing Instrument</td>
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<td></td>
<td>In M-8-1, the issuer shall disclose relevant institution information – If the credit enhancement is provided by a professional credit enhancement institution, the issuer shall disclose the information in line with the Self-regulatory Management Rules of China Interbank Market Concerning Credit Enhancement Business, and if the credit enhancement is provided by other enterprises, the issuer shall disclose the information on these enterprises in the same way as the issuer.</td>
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<td>In M-8-1, the issuer shall disclose the contents of the L/G or the guarantee agreement, including guarantee amount, guarantee term, guarantee method, guarantee scope; rights and obligations of the enterprise, guarantors and holders of the debt financing instrument; and other matters that all parties consider shall be agreed upon.</td>
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<td></td>
<td>In M-8-1, the issuer shall disclose the name of the collateral, the amount of the collateral (book-entry value and appraised value) and the ratio of the amount to the total face value and total principal and interest of the issued debt financing instrument as well as the completion of the collateral appraisal, registration, preservation and relevant legal procedures. (if any)</td>
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<td></td>
<td>In M-8-1, the issuer shall disclose the continuous disclosure arrangement in case of material changes, if any, in the credit standing of the guarantor or collateral.</td>
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<tr>
<td>M.5-3</td>
<td>Chapter 13 Reference Documents</td>
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<tr>
<td></td>
<td>In M-13-1, the issuer shall disclose relevant certificate documents (if any) as reference documents – If the mortgage/pledge guarantee is adopted, the issuer shall provide the proprietorship certificate of the mortgaged/pledged property, asset appraisal report and documents relating to the registration, preservation and continuous monitoring arrangement for the mortgage/pledge.</td>
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</table>

**Remarks**
II. Private Placement Form System

i. Direction for Use

1. Registration Document Form System for Private Placement of Debt Financing Instruments

The Registration Document Form System for Private Placement of Debt Financing Instruments (hereinafter referred to as the “Form System”) contains the list of registration documents and information element forms. The details are as follows:

1) The list of registration documents lists the written materials that shall be submitted to National Association of Financial Market Institutional Investors (NAFMII) for the registration for and private placement of debt financing instruments.

2) The contents of the information element form is the minimum requirements of information elements of the registration document, including Form DX (private placement agreement form), DX.Z (private placement agreement element form relating to credit enhancement), DQ (confirmation letter from the investor of private placement note), and Form DF (legal opinion on the private placement note).

3) Form DX in Annex 5 shall be filled in and stamped by the issuer as a confirmation at the current issuance and be reported to the NAFMII for filing after the issuance. The attorney shall give a legal opinion on the contents of Form DX in Annex 5, which shall be reported to NAFMII together with Annex 5 for filing after the issuance.

2. The enterprises, the intermediaries providing professional services, and the related personnel shall prepare the registration documents in an order and give professional opinions in accordance with the relevant laws and regulations, normative documents and rules of self-regulation and shall bear legal liability for the registration documents and opinions that they issue.

1) The accounting firm shall audit the enterprise and issue an audit report in accordance with the relevant provisions.

2) The accounting firm shall give a definite opinion on the relevant matter in the legal opinion on the basis of adequate due diligence.

3) The lead underwriter shall fill in the list of registration documents and information element forms in accordance with the requirements of this Notice.

4) The lead underwriter shall fill in the forms according to the following requirements:

a) List of registration documents: The name of issuer and variety shall be filled in on the top of the form of list of registration documents. Where the documents corresponding to “Document type” are all available, tick (✓) the corresponding places below the “Options” item.

b. Page: The specific page range of the disclosed part in the document shall be filled in below the “Page” item.

c. Notes: For the inapplicable information elements or matters that shall be specially explained, describe in the appropriate place below the “Notes” item.

d. Signed and sealed by the related personnel of the lead underwriter: After confirming that the list of registration documents and information element forms are completely filled in and all relevant documents are available, the leader of the related department, team leader and related personnel of the lead underwriter shall separately sign or seal the item of “Signed and sealed by the related personnel of the lead underwriter.”

e. Signed and sealed by the lead underwriter: The item “Signed and sealed by the lead underwriter” in the list of registration documents shall be stamped with the official seal of the relevant business department of the lead underwriter. The list of registration documents and information element forms shall be stamped with the official seal (cross-page seal) of the relevant business department of the lead underwriter.
### List of Registration Documents

(Documents for the Registration of _____of_____ Company)

<table>
<thead>
<tr>
<th>No.</th>
<th>Document type</th>
<th>Options</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DY-1</td>
<td>Registration statement</td>
<td>□</td>
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<tr>
<td></td>
<td>- Attached with the business license</td>
<td>□</td>
<td></td>
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<tr>
<td></td>
<td>- Attached with the Articles of Association and the consistent resolution of the competent authority</td>
<td>□</td>
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<tr>
<td></td>
<td>- Attached with the decryption instruction (if any) of the related enterprise</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-2</td>
<td>Recommendation letter</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-3</td>
<td>Private placement agreement</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Attached with the investment risk warning</td>
<td>□</td>
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<tr>
<td></td>
<td>- Attached with the basic situation of the issuer</td>
<td>□</td>
<td></td>
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<tr>
<td></td>
<td>- Attached with the list of investors and their basic information</td>
<td>□</td>
<td></td>
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<tr>
<td></td>
<td>- Attached with the basic situation of the credit enhancement agency (if any)</td>
<td>□</td>
<td></td>
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<tr>
<td></td>
<td>- Terms and conditions of private placement of debt financing instruments</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-4</td>
<td>Confirmation letter from the investor of private placement note</td>
<td>□</td>
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</tr>
<tr>
<td>DY-5</td>
<td>The most recent year of audited financial statement and the accounting statement of the parent company (if any)</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-6</td>
<td>Credit enhancement letter (if any)</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Attached with the resolution of the competent authority and the relevant internal control system (if any)</td>
<td>□</td>
<td></td>
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<tr>
<td></td>
<td>- The most recent year of audited financial statement of the credit enhancement agency and the accounting statement of the parent company (if any)</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-7</td>
<td>Legal opinion</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-8</td>
<td>Underwriting agreement</td>
<td>□</td>
<td></td>
</tr>
<tr>
<td>DY-9</td>
<td>Others (if any)</td>
<td>□</td>
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</tbody>
</table>

**Notes:**

1. Signed and sealed by the related personnel of the lead underwriter
2. Signed and sealed by the lead underwriter
3. Recipient of NAFMII ________ (MM/DD/YYYY)

**Notes:**

1. The registration statement shall be filled in according to the client “Filling Instructions”; the basic information filled in shall be consistent with the private placement agreement.

2. The reference for rules in the recommended letter shall be accurate and the use of the capital raised shall be declared legal and compliant; the information in the recommended letter shall be consistent with that in the registration statement, private placement agreement and the like.

3. The audit report shall contain the signature and seal of the accounting firm and at least two certified public accountants; the financial statement shall be stamped with the official seal of the company and be signed or stamped by the legal representative, the company’s leader responsible for the accounting work, and the leader of the company’s accounting department (accounting manager); the issuer and the accounting firm shall issue a special instruction for the non-standard audit report.

4. Where the Private Placement Agreement (for reference) is used, please describe in the Notes.
### iii. Information Element Forms

1. Form DX (private placement agreement element form)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of Information</th>
<th>Page</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DX-0</td>
<td>Contents and title page</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-0-1</td>
<td>The titles of the chapters and sections and the corresponding page numbers are indicated in the contents.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-0-2</td>
<td>The date and manner of signing of the agreement and contact information.</td>
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</tbody>
</table>
| DX-0-3 | The issuer is a non-financial corporate entity duly incorporated and validly existing under the laws and plans to issue a debt financing instrument in the manner of private placement.  
The issuer has hired _____ as the lead underwriter, _____ as the joint lead underwriter (if any), and _____ as the book-running manager (if any).  
The investor has the strength and willingness of investment in private placement note, fully understands the nature of the debt financing instrument issued by the issuer and the risks relating to the subscription or transfer, and is willing to accept the self-disciplinary management by NAFMII.  
After friendly consultations, the parties to this Agreement reached the following agreement on the relevant matters regarding the issuance and purchase of private placement note in the principles of honesty, trustworthiness, equality, mutual benefit, and real intention. |      |       |
<p>| DX-1  | Article 1 Issuance and Purchase of Private Placement Note                                  |      |       |
| DX-1-1 | The registered amount is specified.                                                      |      |       |
| DX-1-2 | The issuer will determine the name of private placement note, amount, duration, price, or the manner to determine interest rate and other terms and conditions before each issuance and notify the private investor. |      |       |
| DX-1-3 | The investor is willing to participate in the issuer’s any issuance of private placement note within the aforementioned registered amount and is entitled to decide whether to submit an application for subscription based on the terms and conditions of the current private placement note. |      |       |
| DX-2  | Article 2 Use of the Capital Raised                                                       |      |       |
| DX-2-1 | Pledge - The issuer pledges that the use of the capital raised by private placement note is compliant with national laws, regulations and policies, as well as the use agreed on. The issuer will disclose the specific use of the capital raised to the private investor before the issuance. |      |       |
| DX-2-2 | Where the use of the capital raised is changed over the duration of current private placement note, the post-change use of the capital raised shall be consistent with national laws, regulations and policies, and the issuer shall obtain the consent of the investor before the change of use of the capital raised. The procedure that shall be performed for the change of use of the capital raised shall be agreed on. |      |       |
| DX-2-3 | The use of the capital raised might be re-disclosed at the current issuance in Annex 5.     |      |       |
| DX-3  | Article 3 Information Disclosure                                                          |      |       |
| DX-3-1 | Manner of information disclosure - the manner agreed on.                                 |      |       |</p>
<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DX-3-2</td>
<td>Disclosure of issuance progress - The issuer shall disclose the amount, duration, interest rate and other related information of the current private placement note to the investor on the next working day after the registration of credit and debt of private placement note.</td>
<td></td>
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</tr>
<tr>
<td>DX-3-3</td>
<td>Regular information disclosure over the duration - The regular disclosure of financial statement and others of the issuer is agreed on over the duration of the current private placement note.</td>
<td></td>
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<tr>
<td>DX-3-4</td>
<td>Disclosure of major events - The standard of a major event, manner of disclosure, disclosure time and others are agreed on.</td>
<td></td>
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</tr>
<tr>
<td>DX-3-5</td>
<td>Disclosure of interest payment - The issuer shall disclose the payment of principal and interest of private placement note five working days ahead.</td>
<td></td>
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</tr>
<tr>
<td>X-4</td>
<td>Article 4 Protection of Investor</td>
<td></td>
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</tr>
<tr>
<td>DX-4-1</td>
<td>Definition of default. In case that the event occurs as agreed over the duration of private placement note, the investor is entitled to convene meetings of private placement note holders or take other measures as agreed. The convening, holding, voting procedure and resolution of the holder meetings can be carried out according to the relevant provisions on self-disciplinary management of NAFMII.</td>
<td></td>
<td></td>
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<tr>
<td>DX-4-2</td>
<td>The disputes over the validity and implementation of the resolution of the holder meeting or the protective measures agreed on shall be resolved according to the agreement.</td>
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<tr>
<td>DX-4-3</td>
<td>The default coping mechanism shall be established. For instance, the lead underwriter represents the investor to take judicial proceedings relating to breach of contract.</td>
<td></td>
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</tr>
<tr>
<td>DX-5</td>
<td>Article 5 Rights and Obligations of the Issuer</td>
<td></td>
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</tr>
<tr>
<td>DX-5-1</td>
<td>Rights - The issuer has the right to use the capital raised by private placement note as agreed according to law.</td>
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</tr>
<tr>
<td>DX-5-2</td>
<td>Obligations - The issuer shall manage and use the capital raised in the principles of honesty, faith and diligence as provided in this Agreement. Where the issuer intends to change the use of the capital raised, it shall fulfill the necessary procedure as provided in this Agreement.</td>
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<td></td>
<td>The issuer shall repay the principal and interest to the investor holding the private placement note as agreed and fulfill other obligations under this Agreement.</td>
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<td>The issuer shall accept the supervision by the investor and provide compensations as agreed in the event of breach provided in this Agreement.</td>
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<td></td>
<td>The issuer shall fulfill the obligation of true, accurate, complete, timely and fair disclosure of information in accordance with the self-regulation rules of NAFMII and this Agreement. Any false records, misleading statements or material omissions are not allowed.</td>
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<tr>
<td>DX-6</td>
<td>Article 6 Rights and Obligations of the Investor</td>
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<tr>
<td>DX-6-1</td>
<td>Rights - The investor has the right to decide whether to transfer the private placement note it subscribes; it may exert its right over the private placement note in a timely manner in accordance with the laws and regulations or this Agreement, when it finds any matters detrimental to the interests of the issuer.</td>
<td></td>
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<tr>
<td>DX-6-2</td>
<td>Obligations - The investor has the qualification to subscribe for the private placement note.</td>
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<tr>
<td>No.</td>
<td>Elements of information</td>
<td>Page</td>
<td>Notes</td>
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<td>The investor has obtained all the authorization and approval of participation in the issuance of the private placement note.</td>
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<td></td>
<td>The investor unconditionally agrees the issuer to arrange other agencies in line with the qualifications for private investor to sign this Agreement after the signing of this Agreement and grant them the right to subscribe for the private placement note.</td>
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<tr>
<td></td>
<td>NAFMII's self-management of the private investor.</td>
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<td></td>
<td>Where the address, fax number and other information have changed, the investor shall promptly notify the issuer and the lead underwriter.</td>
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<tr>
<td>DX-7</td>
<td>Article 7 Confidentiality Obligations</td>
<td></td>
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<tr>
<td>DX-7-1</td>
<td>The confidentiality obligations of the issuer and the investor, confidentiality clauses and applicable conditions are agreed on.</td>
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<tr>
<td>DX-8</td>
<td>Article 8 Modification</td>
<td></td>
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<tr>
<td>DX-8-1</td>
<td>Where the parties to the agreement reach a consensus, the agreement can be effectively modified. The procedure for the modification of the agreement is agreed on.</td>
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<tr>
<td>DX-9</td>
<td>Article 9 Termination of Issuance of Private Placement Note</td>
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<tr>
<td>DX-9-1</td>
<td>The conditions of termination of issuance and the rights of the related parties are agreed on.</td>
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<tr>
<td>DX-10</td>
<td>Article 10 Credit Enhancement Arrangements (if any)</td>
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<tr>
<td>DX-11</td>
<td>Article 11 Settlement of Disputes</td>
<td></td>
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<tr>
<td>DX-11-1</td>
<td>This Agreement shall be governed by and construed in accordance with the laws (excluding conflict of laws) of the People's Republic of China (excluding Hong Kong SAR, Macao SAR and Taiwan for the purposes of this Agreement).</td>
<td></td>
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<tr>
<td>DX-11-2</td>
<td>The resolution of disputes is agreed on.</td>
<td></td>
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<tr>
<td>DX-11-3</td>
<td>The settlement of the dispute over any provision under this Agreement shall in no way affect the validity and enforceability of any other provision hereof.</td>
<td></td>
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</tr>
<tr>
<td>DX-12</td>
<td>Article 12 Commencement and Termination of the Agreement</td>
<td></td>
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</tr>
<tr>
<td>DX-12-1</td>
<td>All the parties have taken all necessary internal actions to obtain authority to enter into and perform this Agreement. The representatives who sign this Agreement have been duly authorized to sign this Agreement. And all the parties are bound by this Agreement. This Agreement shall be signed by the legal representative or authorized agent and be stamped with the official seal or contract seal of each party.</td>
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<tr>
<td></td>
<td>The private placement note under this Agreement has been registered with NAFMII.</td>
<td></td>
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</tr>
<tr>
<td>DX-12-2</td>
<td>For the expiration date of this Agreement, the termination of all the rights and obligations of the parties under this Agreement shall prevail.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-12-3</td>
<td>For any matters not contained in this Agreement, a supplementary agreement in writing shall be separately entered into. Where the supplementary agreement is inconsistent with this Agreement, the supplementary agreement shall prevail.</td>
<td></td>
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</tr>
<tr>
<td>DX-12-4</td>
<td>The annexes to this Agreement constitute an integral part of this Agreement.</td>
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<tr>
<td>DX-12-5</td>
<td>The number of copies of this Agreement is agreed on.</td>
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<tr>
<td>No.</td>
<td>Elements of information</td>
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<td>Notes</td>
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</tr>
<tr>
<td>DX-Annex 1</td>
<td><strong>Annex 1: Investment Risk Warning</strong></td>
<td></td>
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</tr>
<tr>
<td>DX-Annex 1.1</td>
<td>The risks relating to the issuance of private placement note and the risks relating to the issuer.</td>
<td></td>
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<tr>
<td>DX-Annex 2</td>
<td><strong>Annex 2: Basic Situation of the Issuer</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-Annex 2.1</td>
<td>The basic situation of the issuer, the compliance with relevant national laws, regulations and policies, the rating agreement (whether to carry out rating and make rating arrangements shall be determined after consultations), the direct debt financing and financing plan of the issuer, and other matters that the issuer shall specify.</td>
<td></td>
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<tr>
<td>DX-Annex 3</td>
<td><strong>Annex 3: List of Private Investors and their Basic Situation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DX-Annex 3.1</td>
<td>Company name, legal representative (or legally authorized representative), address, telephone number, fax phone, contacts, e-mail, and postal code.</td>
<td></td>
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</tr>
<tr>
<td>DX-Annex 4</td>
<td><strong>Annex 4: Basic Situation of the Credit Enhancement Agency (if any)</strong></td>
<td></td>
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<tr>
<td>DX-Annex 4.1</td>
<td>The basic situation of the credit enhancement agency and other matters that shall be specified.</td>
<td></td>
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<tr>
<td>DX-Annex 5</td>
<td><strong>Annex 5: Terms and Conditions of Private Placement of Debt Financing Instruments</strong></td>
<td></td>
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</tr>
<tr>
<td>DX-Annex 5.1</td>
<td>The current private placement note is a real-name book-entry bond. Its custody, payment and transaction shall be carried out in accordance with the self-regulation rules of NAFMII and the relevant regulations of Shanghai Clearing House and the CFETS. The transaction, circulation and other disposal manners of the current private placement note are only limited to the private investors. The private placement note cannot be sold to other institutions or individuals. The lead underwriter shall be responsible for the organization and coordination for the issuance of the current private placement note.</td>
<td></td>
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<tr>
<td>DX-Annex 5.2</td>
<td>The name of issuer, name of private placement note, registered amount, registration notice number, amount of the current private placement note, duration, face value, issue price or manner to determine the interest rate, issue object and scope of circulation, underwriting manner, issuance manner, payment price, payment manner, credit rating and follow-up rating arrangements (if any), credit enhancement of the current private placement note (if any), issue arrangements, and others.</td>
<td></td>
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<tr>
<td>DX-Annex 5.3</td>
<td>The use of the capital raised. The use of the capital raised is compliant with national laws, regulations and policies.</td>
<td></td>
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<tr>
<td>DX-Annex 5.4</td>
<td>The signature and seal of the issuer and the date.</td>
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</tbody>
</table>
2. Form DX.Z (private placement agreement element form relating to credit enhancement)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
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<tbody>
<tr>
<td>DX.Z-1</td>
<td>Article 10 Credit Enhancement Arrangements</td>
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<tr>
<td></td>
<td>The content of the letter of credit enhancement is disclosed in DX-10.</td>
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<tr>
<td>DX.Z-2</td>
<td>Annex 1 Risk Warning and Notes</td>
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<tr>
<td></td>
<td>Special risks, i.e. the special risks relating to the credit enhancement of the current private placement note, are disclosed in DX- Annex 1.</td>
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<tr>
<td>DX.Z-3</td>
<td>Annex 4 Basic Situation of the Credit Enhancement Agency</td>
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<tr>
<td></td>
<td>The situation and its information disclosure arrangements of the credit enhancement agency are disclosed in DX- Annex 4. Where the credit enhancement is provided by a professional credit enhancement institution, the information shall be disclosed in accordance with the Rules on Self-disciplinary Management of Credit Enhancement Business in China's Interbank Market. Where the credit enhancement is provided by other enterprises, the information shall be disclosed based on the situation of the issuer.</td>
<td></td>
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<tr>
<td>DX.Z-4</td>
<td>Regional Optimized Financing Mode (if any)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Article 5 Rights and Obligations of the Issuer</td>
<td></td>
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<tr>
<td></td>
<td>The obligation of repaying the principal and interest that any joint issuer shall bear within its issue amount is disclosed in DX-5. The joint issuer's participation in the issuance of the current regional optimized collective note does not constitute the fulfillment, pledge or guarantee of the obligation of repaying the principal and interest of other issuers.</td>
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<tr>
<td></td>
<td>Article 10 Credit Enhancement of Private Placement Note</td>
<td></td>
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<tr>
<td></td>
<td>The basic situation of regional optimized financing mode is disclosed in DX-10.</td>
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</tbody>
</table>

Notes
3. Form DQ (Confirmation letter from the private placement note investor)

Confirmation Letter from the Private Placement Note Investor
(Sample)

National Association of Financial Market Institutional Investors:

We hereby confirm the following matters:

I. We are willing to invest in the ________ (full name of the current private placement note) that ______________________ (name of the issuer) plans to issue.

II. We understand the risks of investment in the private placement note and are able and willing to bear the risks of investment in the private placement note.

III. We are willing to accept the self-disciplinary management by NAFMII and fulfill the obligations of membership.

________________________________________________________________________ (Name of investor)

Signed and sealed by:

________________________________________________________________________ (MM/DD/YYYY)
4. Form DF (legal opinion information element form)

<table>
<thead>
<tr>
<th>No.</th>
<th>Elements of information</th>
<th>Page</th>
<th>Notes</th>
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</thead>
<tbody>
<tr>
<td>DF-0</td>
<td>Matters that shall be declared</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DF-0-1</td>
<td>The legal opinion is given according to the Company Law of the People’s Republic of China, Administrative Measures for Debt Financing Instruments of Non-Financial Enterprises in the Inter-bank Bond Market (Order No.1 [2008] of the People’s Bank of China), other laws, regulations and norms, the rules and guidelines of NAFMII, the business standards, ethics and the spirit of diligence generally accepted in the attorney industry.</td>
<td></td>
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<tr>
<td>DF-0-2</td>
<td>Pledge that the legal opinion is given in accordance with the fact that has occurred or existed before the issuance of the legal opinion, China’s existing laws, regulations, rules and guidelines, that the statutory duties have already been strictly performed, that adequate due diligence regarding the legal compliance of the registration and issuance of private placement note has been conducted, and that the legal opinion is ensured not to have false records, misleading statements or material omissions.</td>
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<tr>
<td>DF-0-3</td>
<td>Agree to deem the legal opinion as a necessary legal document for the registration of private placement note, submit the legal opinion along with other materials, and bear the corresponding legal responsibility.</td>
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<tr>
<td>DF-0-4</td>
<td>Other appropriate statements can be made, but the disclaimer in violation of the business standards, ethics and the spirit of diligence generally accepted in the attorney industry shall not be made.</td>
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<tr>
<td>DF-1</td>
<td>I. Issuer</td>
<td></td>
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<tr>
<td>DF-1-1</td>
<td>Does the issuer have legal status?</td>
<td></td>
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<tr>
<td>DF-1-2</td>
<td>Is the issuer a non-financial enterprise?</td>
<td></td>
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<tr>
<td>DF-1-3</td>
<td>Is the issuer a member of NAFMII?</td>
<td></td>
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<tr>
<td>DF-1-4</td>
<td>Is the evolution of the issuer legal and compliant?</td>
<td></td>
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<tr>
<td>DF-1-5</td>
<td>Is the issuer duly incorporated and in valid existence? Namely, is there any situation indicating the issuer should be terminated, according to the laws, regulations, normative documents and articles of association?</td>
<td></td>
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<tr>
<td>DF-2</td>
<td>II. Procedures for the Issuance</td>
<td></td>
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</tr>
<tr>
<td>DF-2-1</td>
<td>Internal resolution - Has the competent authorities made a decision to issue the debt financing instrument according to a legal procedure? Are the decision content and procedure legal and compliant? Where the decision-making authorities is authorized to acquire the decision-making power, the attorney shall confirm whether the scope of authorization and procedure are legal and compliant.</td>
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<tr>
<td>DF-3</td>
<td>III. Documents and Relevant Agencies relating to the Issuance</td>
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<tr>
<td>DF-3-1</td>
<td>Private placement agreement: Is the private placement agreement legal and valid?</td>
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<tr>
<td>DF-3-2</td>
<td>Legal opinion - Do the law firm and attorneys that issue the legal opinion have the relevant qualifications? Do they have any associations with the issuer?</td>
<td></td>
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</tr>
<tr>
<td>DF-3-3</td>
<td>Audit report - Do the accounting firm that issues the audit report and the certified public accountants have the relevant qualifications? Do they have any associations with the issuer?</td>
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<tr>
<td>DF-3-4</td>
<td>Does the lead underwriter have the relevant qualifications? Does it have any associations with the issuer?</td>
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<td>DF-3-5</td>
<td>Rating report (if any) - Does the rating agency have the relevant qualifications? Does it have any associations with the issuer?</td>
<td></td>
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<tr>
<td>DF-4</td>
<td>IV. Significant Legal Issues and Potential Legal Risks relating to the Current Issuance</td>
<td></td>
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<tr>
<td>DF-4-1</td>
<td>Business operations - Are the business scope and business legal, compliant and in line with national policies? Was the issuer seriously punished due to work safety, environmental protection, product quality, tax and others in the last three years? Is the financing restricted due to the above business operations and other reasons? The verification of subject scope covers the issuer and its subsidiaries within the scope of merger.</td>
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<tr>
<td>DF-4-2</td>
<td>Credit enhancement conditions (if any) - Are the qualification of the credit enhancement agency and the credit enhancement resolution legal and valid? Is the credit enhancement agreement or letter of credit enhancement is legal and valid? Did the debt financing instrument thereby obtain legitimate credit enhancement?</td>
<td></td>
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<tr>
<td>DF-4-3</td>
<td>Other issues that shall be specified - Even if this form fails to make an explicit requirement, the attorney shall give a legal opinion on the significant legal issues and potential legal risks relating to the registration and issuance. Where the legal validity of the registration document might be affected due to inconsistent name, delayed signing time and others, the attorney shall give a legal opinion on the cause and the compliance of the document.</td>
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<tr>
<td>DF-5</td>
<td>V. General Concluding Observations</td>
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<tr>
<td>DF-5-1</td>
<td>The attorney shall make general concluding observations about whether the issuer’s registration and issuance of private placement note are legal, compliant, and in line with the rules and guidelines and whether there are potential legal risks.</td>
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<tr>
<td>DF-6</td>
<td>The Observations shall be signed and sealed by at least two attorneys and be stamped with the official seal of the law firm. The signature shall be dated.</td>
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Notes
3. Book building

1.1 Flowchart of issuance

1.1.1 Flowchart of issuance by tender

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<tr>
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<th>T-3</th>
<th>T-1</th>
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<th>T+n</th>
<th>T+n+m</th>
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</thead>
<tbody>
<tr>
<td>Receiving issuance approval documents</td>
<td>Opening bond issuance account</td>
<td>Publishing invitation for bid and price range</td>
<td>Open tendering</td>
<td>Payment</td>
<td>Open market trading</td>
</tr>
</tbody>
</table>

Inquiry Pricing Distribution
1.1.2 Flowchart of issuance by book building

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<thead>
<tr>
<th>T-5</th>
<th>T-1</th>
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<th>T+2</th>
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<tbody>
<tr>
<td>Receiving registration notice</td>
<td>Online announcement</td>
<td>Publishing booking range</td>
<td>Book building</td>
<td>Payment</td>
</tr>
</tbody>
</table>

Inquiry Pricing Distribution

1.1.3 Flowchart of issuance by private placement

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<tr>
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<th>T+2</th>
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</thead>
<tbody>
<tr>
<td>Receiving registration notice</td>
<td>Book building</td>
<td>Payment</td>
</tr>
</tbody>
</table>

Inquiry Pricing Distribution
1.2 Procedures of issuance by tender

1.2.1 Signing service agreement
The issuer shall sign a written agreement with every bidder to standardize and clarify each party’s rights and obligations.

1.2.2 Submitting issuance materials
The issuer applies to PBC’s Financial Market Department for issuance by tender and submits the following materials: document issued by competent authorities that approves the issuance of current bond, issuing method and invitation for bid of current bond, list of bidders and their written agreement with the issuer, catalogue of files to be disclosed.

1.2.3 Material review and feedback
The Financial Market Department will review the issuer’s application for issuance by tender. If the issuer meets relevant conditions, Financial Market Department shall notify within two workdays China Government Securities Depository Trust & Clearing Co. Ltd. (CDC) to prepare for the issuance of the current bonds. CDB shall make overall arrangements for the bond issuance of all types of issuers and notify them in a timely manner.

1.2.4 Disclosure of tendering information
In addition to fulfilling the obligation of information disclosure to investors according to relevant rules, the issuer, before the issuance by tender, shall disclose the following information on www.chinabond.com.cn at least one workday in advance: issuing method and invitation for bid of current bond and list of bidders.

1.2.5 Publishing tendering results
After the issuance is completed, the issuer shall publish the tendering results of all current bonds on www.chinabond.com.cn within one workday, including actual amount of bids, number of bidders, number of bid winners and winning rate. CDB shall submit the bidding/tendering status of all current bonds to PBC’s Financial Market Department after bidding is completed, including tendering results and details of bidders and winning bidders.

1.3 Procedures of issuance by book building

1.3.1 Signing service agreement and opening escrow account
If the issuer entrusts Shanghai Clearing House to provide relevant services for the first time, it shall first open a bond issuance account at Shanghai Clearing House.

1.3.2 Arranging issue time
The issuer can issue debt financing instruments in instalments within the registration term. The first issue shall be completed within two months after registration, the failure of which shall be put on record with NAFMII. The issuer shall choose the best issue time within the specified period and based on overall considerations for its own financing needs, situation of the bond market and other factors. Issuing documents of the first issue of debt financing instruments shall be published at least five workdays prior to the issue date, and issuing documents of subsequent issues shall be published at least three workdays prior to the issue date. For issuance by book building, the issuing scheme shall be finalized and submitted for record at least three workdays prior to the issue announcement date. After the announcement period, members of the underwriting syndicate will need one to two workdays to distribute the bonds. Therefore, when determining the best issue time, issuers usually need to leave six to seven workdays for announcement and distribution for the first issue, and four to five workdays for subsequent issues.

1.3.3 Submitting issuing scheme for filing
The issuer and lead underwriter shall formulate the Issuing Scheme and submit it to NAFMII for filing at least three working days before publishing the issuing documents. The Issuing Scheme shall be disclosed to the market as part of the issuing documents.

1.3.4 Disclosing issuing documents
Enterprises shall publish the current issuing document on the designated information disclosure platform of the
interbank market. In addition to disclosing information in the interbank bond market according to NAFMII’s Rules for Information Disclosure on Debt Financing Instruments of Non-financial Enterprises in the Interbank Bond Market, enterprises that issue medium term notes shall also make one-off disclosure of the complete issuing plan on the announcement date of the first issue on the interbank bond market.

1.3.5 Inquiry and book building

(1) Determining rate range
After the issuing materials are published, the issuer and lead underwriter shall determine the issuing rate range according to the issuer’s qualifications and in reference to market rate and inquiry, and sign the letter of confirmation of book building rate (price) range.

(2) Publishing and sending purchase offer
A day before issuance, the lead underwriter shall send the purchase specifications to members of the underwriting syndicate and publish the purchase specifications to the market. Purchase specifications include the following main contents: important notice of purchasing current bonds, main terms of current bonds, purchase rate range of current bonds, purchase time and procedures, placement and payment of current bonds, contact information of bookrunner, designated account of payment, etc.

1.3.6 Placement and payment
For issuance by book building, subscribers shall submit the stamped written purchase offer to the bookrunner at the specified time. Underwriting commitment of any form, if not made at the specified time, shall be deemed invalid. Bookrunner shall send “demand note” to underwriters that have obtained placement at the agreed time on the issue date to notify them of the amount of placement of current debt financing instruments and the issuing rate determined by book building.

1.3.7 Distribution and open market trading
Bookrunner shall set a distribution period according to the distribution needs of debt financing instruments and arrange members of the underwriting syndicate to carry out agreed distribution. The distribution period lasts from the date of book building to the last day of payment. All placements from members of the underwriting syndicate to institutions not in the underwriting syndicate shall be completed within this period in the form of agreed distribution. The bonds are tradable on the interbank market from the next workday of payment.

1.4 Procedures of issuance by private placement

1.4.1 Signing agreement of private placement and investor confirmation letter
In the stage of inquiry, bookrunner and potential investors sign the agreement of private placement and investor confirmation letter to clarify each party’s rights and obligations. Investors who have signed such documents can only purchase and carry out trading at the time of private placement.

1.4.2 Starting issuance
According to the trend of bond market and the inquiry of current private placement, the bookrunner will flexibly determine the time window of issuance. Unlike public issuance, private placement does not have to make an online announcement. A day before issuance, the bookrunner shall send the purchase specifications to investors that have signed the private placement agreement and investor confirmation letter. Purchase specifications include the following main contents: important notice of purchasing current bonds, main terms of current bonds, purchase rate range of current bonds, purchase time and procedures, placement and payment of current bonds, contact information of bookrunner, designated account of payment, etc.

1.4.2 Book building, payment and distribution
The process of book building, payment and distribution for private placement is the same as that for the public issuance of debt financing instruments. For private placement, no public inducement or disguised form of public issuance shall be employed. Parties of private placement and related staff shall not engage in or assist in the transfer of illicit interests during private placement.
About

International Capital Market Association (ICMA)
ICMA is the trade association for the international capital market with almost 500 member firms from 57 countries, including banks, issuers, asset managers, infrastructure providers and law firms. It performs a crucial central role in the market by providing industry-driven standards and recommendations for issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market.

www.icmagroup.org

National Association of Financial Market Institutional Investors (NAFMII)
NAFMII was founded on September 3, 2007, under the approval of the State Council of China. NAFMII aims to propel the development of China OTC financial market, which is composed of interbank bond market, inter-bank lending market, foreign exchange market, commercial paper market and gold market.

As a self-regulation organization (SRO) in China, the membership of NAFMII includes policy banks, commercial banks, credit cooperative banks, insurance companies, securities houses, fund management companies, trust and investment companies, finance companies affiliated with corporations, credit rating agencies, accounting firms and companies in non-financial sectors.

www.nafmii.org.cn

ICMA would like to acknowledge the contribution of the following banks:
HSBC, Standard Chartered, Deutsche Bank, JP Morgan, Citigroup