



CHINA REFORM MONITOR

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August 22, 2023 Joshua Eisenman

Related Categories: Arms Control and Proliferation; Democracy and Governance; Public Diplomacy and Information Operations; Border Security; China; Hong Kong; Russia

CHINA REPLACES LEADERS OF ELITE NUCLEAR FORCE

China has purged the leaders of the elite People's Liberation Army (PLA) Rocket Force - the unit managing the country's nuclear arsenal. General Li Yuchao, who headed the unit, and his deputy, General Liu Guangbin, have "disappeared" for months, and former deputy navy chief Wang Houbin and party central committee member Xu Xisheng were named as replacements at a ceremony on July 31. The anti-corruption arm of the Central Military Commission (CMC) has launched an investigation into Li and Liu, as well as the unit's former deputy, Zhang Zhenzhong. At a CMC meeting late last month, Chairman Xi Jinping called for "maintaining the party's absolute leadership over the military." (*BBC*, August 1, 2023)

HONG KONG REMOVES REQUIREMENT TO FLAG CHINA RISK

Hong Kong's stock exchange no longer wants companies to report China-related risks in their listing applications. The current rules require issuers to summarize the risks of "the relevant laws and regulations," "the political structure and economic environment," "foreign exchange controls and exchange rate risk" of their business in China. But in response to "recent changes in Mainland China regulatory framework," the new rules remove these disclosure requirements. On July 20, the China Securities Regulatory Commission instructed Hong Kong lawyers not to include negative descriptions of China's policies or its business and legal environment in listing prospectuses, and threatened to withhold a regulatory green light for IPOs if they do so. The U.S. Securities and Exchange Commission, by contrast, has directed Chinese companies listed on U.S. stock exchanges to disclose the Chinese government's role in their operations. (*Reuters*, July 31, 2023)

CHINA RESTRICTS SOME DRONE EXPORTS TO RUSSIA

Citing Russia's ongoing war in Ukraine, China has imposed restrictions on exports of some long-range civilian drones for "non-peaceful purposes." Although some drones will still be exported, "the risk of some high specification and high-performance civilian unmanned aerial vehicles being converted to military use is constantly increasing," said the Ministry of Commerce. Restrictions will apply to drones that can fly beyond the natural sight distance of operators, stay aloft for more than 30 minutes, have the capacity to fire objects, and weigh more than 15.5 pounds. (*Associated Press*, August 1, 2023)

PRO-CHINA INFLUENCE CAMPAIGN INFILTRATES U.S. NEWS

The marketing firm Shanghai Yihuan Cultural Communication Co., Ltd. is placing pro-China stories in dozens of news outlets across America. The website of the firm, which uses the name Haixun Press, offers to place articles and boosts them using paid fake "likes" on platforms including Twitter, Facebook and Instagram. Haixun's content, which comes from China's state media and think tanks and includes critiques of U.S. policymakers and academics who are critical of China, has appeared in the news subdomains on at least 32 websites, including the Arizona Republic and the Pittsburgh Post-Gazette. Haixun places the articles using the newswire distribution service CloudQuote.io, which is run by the California-based firm Financial Content and provides content to smaller news outlets across America. (*Washington Post*, July 24, 2023)

CHINA CRITICIZES RUSSIA'S TREATMENT OF CHINESE AT BORDER

China's embassy in Russia has criticized the treatment of five PRC citizens trying to enter Russia. Late last month, the five Chinese individuals were refused entry while attempting to drive into Russia from Kazakhstan. They were subjected to more than four hours of examinations before their visas were cancelled, the embassy said on its WeChat account. Chinese embassy officials met with interlocutors from Russia's foreign ministry and border agencies to "point out that the brutal and excessive law enforcement by Russia in this incident seriously damaged the legitimate rights and interests of Chinese citizens," the post said. (*Reuters*, August 5, 2023)