



Regulatory Circular RG04-25

DATE: February 18, 2004

TO: Members and Member Firms

FROM: Market Operations Department

RE: Restrictions on Transactions in
China Fund, Inc. (CHN/CHN) Option Class

Trading in the China Fund, Inc. (CHN/CHN) option class has been restricted to closing transaction only.

Only closing transactions may be affected in all series of CHN, except for (i) opening transactions by market-makers executed to accommodate closing transactions of other market participants and (ii) opening transactions by CBOE member organizations to facilitate the closing transactions of public customers executed as crosses pursuant to and in accordance with CBOE Rule 6.74(b) or (d). In addition, CHN option series will not be traded on RAES.

The execution of opening transactions in CHN, except as permitted above, and/or the misrepresentation as to whether an order is opening or closing, will constitute a violation of CBOE rules, and may result in disciplinary action.

There are no restrictions in place with respect to the exercise of CHN option series and the Options Clearing Corporation (OCC) has advised CBOE that the expiration of the CHN option series will remain subject to OCC's Exercise-by-Exception Procedures.

Any questions regarding this circular may directed to Kerry Winters at (312) 786-7312 or Mike Felty at (312) 786-7504.