

China strengthens M&A regulation of listed companies

China has set up an individual committee to oversee the merger and acquisition (M&A) of its listed companies, as this resources allocation maneuver becomes increasingly important in the country's financial markets.

A total of 73.9 billion yuan (10.3 billion U.S. dollars) was injected into listed Chinese companies through M&A last year.

It increased the market value of the companies by 770 billion yuan and raised their average earnings per share by 75 percent, according to CSRC Chairman Shang Fulin.

"In over 10 years, more than 300 listed companies became stronger and more competitive through M&A, which effectively integrated resources and helped them dominate the market."

China Securities Regulatory Commission (CSRC) announced the establishment of the 25-member committee here on Wednesday.

It was part of its plan to ensure transparency and quality of the examination and approval of the M&A applications.

The new committee is to exercise part of the function originally designated to the existing listing committee under the Securities Law.

"It should be the responsible gatekeeper, which allows high quality resources and trustworthy shareholders into the capital market while keeping dishonest ones out," Shang said.

A consulting committee of 15 members was also created to advise on the establishment of M&A rules.

Source: Xinhua
