

### **SSE Issues Format Instruction of Mineral Right Disclosure (2008-08-26)**

The Shanghai Stock Exchange (SSE) issues today the "No.18 Format Instruction on Temporary Announcements of Listed Companies" to regulate the information disclosure of listed companies concerning acquisition and transfer (releasing or receiving) of mineral right (including prospecting right and mining right). Listed companies are required to detail their mineral rights in line with the instruction, if they acquire, receive or release mineral rights, plan to purchase or sell the equities of other companies whose major assets are mineral rights, or plan to establish joint ventures by contributing mineral rights.

The instruction specifies the requirements of disclosing mineral right ownerships, exploitation approval and mining right evaluation. Listed companies should verify whether they have obtained related prospecting or mining licenses, disclose whether they have necessary project approvals and environmental protection approvals as well as safe production licenses for exploitation, and disclose in line with industry standards such value factors as recoverable reserves and duration of mineral rights. It also requires listed companies to disclose qualifications and production conditions, anticipated production time and maximum production capacity concerning their mining rights.

To prevent misunderstanding by investors, the instruction lays more emphasis on diligence obligations of listed companies' directorates and requires them to verify the issues that should be disclosed according to the instruction. Their independent directors can, if necessary, engage professional institutions for examination. Meanwhile, insiders should fulfill confidentiality obligations, and listed companies should timely issue special notices and apply for trading suspension if relevant issues are leaked.

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