

#### Shareholders Entitled to Subsequent Immunity Application

Chinese version The China Securities Regulatory Commission (CSRC) encouraged listed firms to increase their holding of the stocks of their own firms, and the advance immunity application for the free increase holding was replaced by subsequent application.

The CSRC released on August 27 the decision to modify the Administrative Measures for the Takeover of Listed Companies. According to the decision, the premises for the subsequence application are that: the equity stocks held by the shareholders amount up to or exceed three tenth of the outstanding stocks of the firms, and the stocks increased within each 12 months do not exceed 2% of the outstanding stocks of the firms within 1 year since the occurrence of the aforementioned facts.

To meet the requirements of supervision, the CSRC also correspondingly adjusted the term for handling the application for immunity under the quicker procedure from the previous 5 working days to 10 working days.

Besides, the two mainland securities exchanges will provide specific business rules, where major shareholders of listed firms must perform their information disclosure obligation and disclose their subsequent stock expansion plans when they make their first stock expansion or their stocks are increased to 1%.

(Source: China Securities Regulatory Commission)

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