

## Regulator: New listing norms soon

China's securities regulator is expected to unveil a draft of the new listing scheme soon, Fan Fuchun, vice-chairman of the China Securities Regulatory Commission (CSRC), said on Friday.

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"The huge gap between the issuing price and the opening price set through collective bidding has to be addressed first and that's why we have suspended new initial public offerings (IPOs) for the time being," said Fan, also a member of the Chinese People's Political Consultative Conference.

In many cases, bids for new issues were in excess of their underlying value. For instance, PetroChina Company Limited (PetroChina) got listed on the A-share market in late 2007,

with an opening price of 48.6 yuan. The scrip began to fall soon after listing and consequently many investors burnt their fingers.

"The opening price of PetroChina shares was exorbitant. Currently the price is around 10 yuan, which is much lower than the issuing price and nowhere near the opening price," said Fan.

The CSRC suspended new IPOs from September 2008. According to market researcher Wind Info, the floats of 36 companies, amounting to 1.84 billion shares have been delayed indefinitely.

"Once the listing issues are settled, we will try our best to resume IPOs as early as possible. However, we cannot come out with a specific timetable for IPOs now," he added.

"We have done lots of preparatory work for the revision, and will soon release the draft rules to elicit public opinion," he said.