China tightens regulations on state-owned shareholders

BEIJING, July 3 (Xinhua) -- China's state assets regulator announced it would strive toward stricter control over the actions of state-owned shareholders here Friday, in a move to protect investors' profits and maintain a stable market.

State-owned shareholders of listed companies should apply for approval from regulators if they want to sell a certain number of shares that exceeded an amount not specified in a document published on the Web site of China's State-owned Assets Supervision and Administration Commission (SASAC).

The application should include a timeframe for the sale of the shares, the minimum price of the shares and the number of the shares of the planned sales, to make sure that state-owned shareholders would not sell the shares at too low a price, said the SASAC.

Shareholders of state-owned assets also need a pre-approval from regulators before moving assets, said SASAC.

Previously, the exchange of assets must meet approval from the board of directors before being approved by the regulators. Then the exchange could be offered for approval by the shareholders.

State-owned listed companies should disclose restructuring information with their shareholders, said the SASAC documents.

If restructuring is halted by shareholders due to price fluctuations, it said, state-owned shareholders should wait three months before taking action.