

China to accept GEM application on July 26

China Securities Regulatory Commission (CSRC) said in Beijing on Monday that it will start to accept application of listing on the Growth Enterprise Market from July 26.

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The Chinese Nasdaq-style stock market would focus on firms that specialize in fields like new energies, new materials, bio-medical industry, electronic information, modern services and environmental protection, as well as companies with technology innovations and higher market share, said CSRC.

Companies that have applied for listing on the main boards of the country's stock exchanges can apply to list on the GEM instead, it said.

The regulator also said companies that apply to list on the GEM should have two sponsor representatives to recommend them to ensure the quality of such companies and reduce

risks in the initial phase of the GEM operation.

The CSRC said 50 to 100 companies are expected to file applications on July 26.

However, the CSRC didn't said when the GEM market will open.

It said on July 14 that the first batch of smaller companies are expected to be listed on GEM at the Shenzhen Stock Exchange in late October or early November.

The CSRC said in March that GEM listing candidates must gain net profits for the preceding two years and have a combined earnings of at least 10 million yuan (\$1.46 million). Or the company must post a net profit of at least five million yuan and a revenue of at least 50 million yuan for the latest fiscal year, with revenue growth of at least 30 percent in the past two years.

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