

## 《Chinese securities regulator rejects more IPO applications》

China's top securities market regulator has rejected more initial public offering (IPO) applications from companies amid efforts to improve the quality of listed companies and protect the interests of individual investors.

The China Securities Regulatory Commission (CSRC) in May reviewed IPO application documents from 64 companies. Nine of them, representing about 14 percent of the total, failed to receive approval to go public, the China Securities Journal reported over the weekend.

The 14 percent rate was higher than the 12 percent in April and the 11.6 percent for the first five months of this year, the journal reported, citing data from Wind Info, a leading financial information provider.

Inability to generate sustainable profit growth and malpractices in business operations and information disclosure were among the main reasons for the IPO rejections, noted the report.

Under the current IPO system, new shares are subject to approval from the CSRC.

In a similar vein, the CSRC on Friday approved the IPO applications of four companies, fewer than the seven approved last week.

The four companies will raise no more than 1.5 billion yuan (about 220 million US dollars), much less than the 2.3 billion yuan approved to be raised by the seven IPOs in the previous week.

The regulators' rhythm change in IPOs is a result of the market demand, as some shares' prices dropped drastically due to recent adjustments in A Share market. Most analysts agree to CSRC's measures but have warned that a suspension of IPO is infeasible.

"IPOs should not be the focus of the development of the capital market. The core of this market is mergers and acquisitions (M&A), and we should push for more M&A and reorganizations for a healthier market," said Wu Xiaoqiu, vice president of Renmin University of China.