

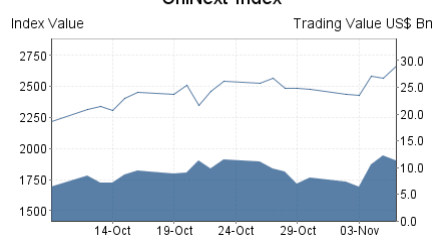
Market Bulletin

Monday 09 November, 2015 (Issue 24)

Highlights

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- China Unveils Proposals for Formulating 13th Five-year Plan
- SZSE Releases *Public Censure Standards for Main Board Listed Companies*
- SZSE Completes Solicitation for Trading Suspension and Resumption of Listed Companies
- China to Make Interest Rates More Market-based
- China Unveils Guideline on Reforming State-owned Asset Management
- China's Legislature Ratifies AIIB Pact
- Negative List for Foreign Investment Expanded to Inland Regions
- China FTZs Attract Growing Foreign Investment
- China Increases RQFII Quota for Korea

Key Indices



Market Review

Last week, Shenzhen Component Index stood at 12273.4 points after adding 6.3%. SME Index edged up 6.0% to 8265.5 points. ChiNext Index advanced 7.4% to 2661.4 points. Total turnover for stocks and funds on SZSE was US\$440.2 billion, or a 0.1% increase from the week before.

All sector indices were higher than previous week. Sector indices with the biggest gains were finance, culture & media and transportation and logistics.

Top 3 gainers were Guangdong Wens Foodstuff Group (300498), Guangdong Homa Appliances (002668) and Guilin Layn Natural Ingredients Corp. (002166). Top 3 decliners were Hongda Xingye (002002), Haixin Foods (002702) and Dehua Tb New Decoration Material (002043). The most active stocks for the last week were Suning Commerce Group (002024), East Money Information (300059) and Leshi Internet Information & Technology Corp (300104).

Market News

China to Restart IPOs

China will restart IPOs after suspending them in July in the wake of a stock market rout which began in the middle of June. According to Deng Ge, spokesman with the China Securities Regulatory Commission (CSRC), 28 companies will be allowed to go public before the end of this year and the CSRC will further reform IPO policies.

China Unveils Proposals for Formulating 13th Five-year Plan

China has issued the full text of proposal for the Thirteenth Five-year Plan (2016-2020) on National Economic and Social Development on Oct 29. China aims to double its 2010 GDP and per capita income of residents and ensure a medium-high economic growth, higher living standards and a better quality environment to achieve a "moderately prosperous society" by 2020.

SZSE Releases *Public Censure Standards for Main Board Listed Companies*

Public Censure Standards for Main Board Listed Companies defines the identification criterion of public censure for Main Board listed companies. The Standards is divided into four chapters, including general provisions, information disclosure violation, standard operation violation and supplementary provisions. The Standards focuses on the key point of regulations, promotes reform of delisting system, and specifies review mechanism.

SZSE Completes Solicitation for Trading Suspension and Resumption of Listed Companies

The SZSE has formulated *Memorandum for Trading Suspension and Resumption Business of Listed Companies* in order to better regulate

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Market at a Glance

SZSE Market Statistics (06 November, 2015)	
No. of Listed Companies	1729
Market Cap.(US\$ Bn)	3341.5
Free-float Market Cap.(US\$ Bn)	2366.4
Average P/E Ratio	48.00
For the Year of 2015	
Turnover Value(US\$ Bn)	17739.7
-Stock	15926.2
-Main Board	5975.0
-SME Board	6352.6
-ChiNext	3598.6
-Fund	711.3
-Bond	1102.2
Daily Turnover Ratio(%)	3.97
Total Fund Raised by Equity (US\$ Bn)	63.2
No. of IPO	115

*Currency ratio used : 1 USD=6.35 CNY

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trading suspension and resumption business of listed companies. The SZSE has widely solicited opinions from listed companies through online business zone, symposium and other channels and will promulgate the memorandum in the near future.

China to Make Interest Rates More Market-based

New interest rate formation and adjustment mechanisms must suit market demand, according to a statement released on November 4 after an executive meeting of the State Council. China will enhance supervision of financial institutions to ensure fair play and risk management and will continue to set different reserve requirement ratios for different institutions, streamline administration and delegate power to the lower levels.

China Unveils Guideline on Reforming State-owned Asset Management

The State Council unveiled a guideline for reforming the management of the country's colossal state-owned assets on November 4. The guideline specified plans to establish an investment firm to manage the state's capital and restructure SOEs by either transferring state equities and budgets to a new company or by transforming a qualified wholly State-owned enterprise that already exists.

China's Legislature Ratifies AIIB Pact

China's top legislature ratified the Asian Infrastructure Investment Bank (AIIB) agreement, which establishes the legal framework for the bank. The ratification is a significant step closer to the AIIB's formal establishment slated for the end of 2015, as China is the bank's largest shareholder. The China-backed multilateral development institution is tasked with financing infrastructure construction across Asia.

Negative List for Foreign Investment Expanded to Inland Regions

According to National Development and Reform Commission on November 6, more inland regions are to be selected for implementation of the country's "negative list" system for foreign investors. The negative list method is currently adopted in the China (Shanghai) Pilot Free Trade Zone and other Free trade zones in Guangdong, Tianjin and Fujian.

China FTZs Attract Growing Foreign Investment

According to Ministry of Commerce, China's four pilot Free Trade Zones (FTZs) have seen significant progress in attracting foreign investment with the help of financial reforms. 4,639 new foreign-invested enterprises were established in the four FTZs in the first nine months, attracting a total of RMB346.1 billion (US\$54.6 billion) contracted foreign investment. By September, the number of newly registered market entities in the three FTZs more than doubled from a year ago to reach 45,000.

China Increases RQFII Quota for Korea

China decided to increase the RQFII quota for Korea from RMB 80 billion to RMB 120 billion. The agreement was part of a series of financial cooperation agreements reached between China and Korea. Both sides also agreed to enhance cooperation on direct trading between the KRW and the RMB, issuance of RMB sovereign bonds by Korea, expansion of RMB funds lending as well as facilitating a linkage mechanism between the bilateral bond market infrastructures.