

Shenzhen Stock Exchange Market Bulletin

June 22, 2020 (Issue 18)

Market Summary

Listed Companies (No.)	2,248
- Main Board	470
- SME Board	960
- ChiNext Market	818
Funds	551
Bonds	7,698
Market Cap. (US\$ bn)	3,819.3
- Main Board	1,116.5
- SME Board	1,595.6
- ChiNext Market	1,107.1
Average Turnover Ratio	2.30
Average P/E Ratio	27.78
No. of IPO (YTD)	44

Most Active Companies

1	East Money Information Co., Ltd. (300059)
2	Zte Corporation (000063)
3	Guangdong Advertising Group Co., Ltd. (002400)

Top Gainers

1	Chengdu Kanghua Biological Products Co., Ltd. (300841)
2	Kaiser (china) Culture Co., Ltd (002425)
3	Wuxi Dk Electronic Materials Co., Ltd. (300842)

Top Decliners

1	Geeya Technology Co., Ltd (300028)
2	Leshi Internet Information & Technology Corp., Beijing (300104)
3	Shandong Longlive Bio-technology Co., Ltd. (002604)

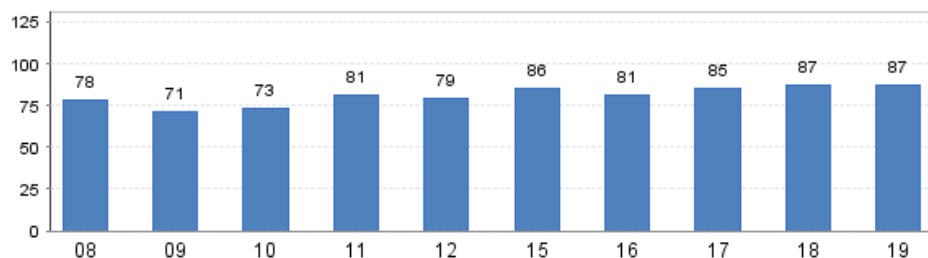
New Listing

Kanghua Biological (300841)

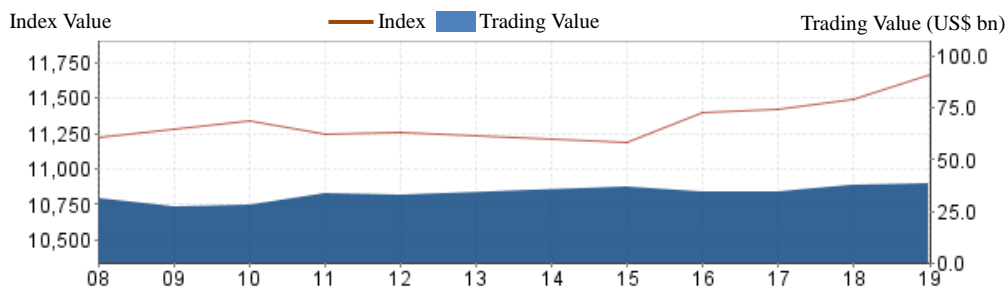
Chengdu Kanghua Biological Products Co., Ltd. principally engages in research and development, production and sale of vaccines. In 2019, its operating income reached 555 million yuan with the net profit of 186.69 million yuan.

Daily Trading Value (June 08 – June 19)

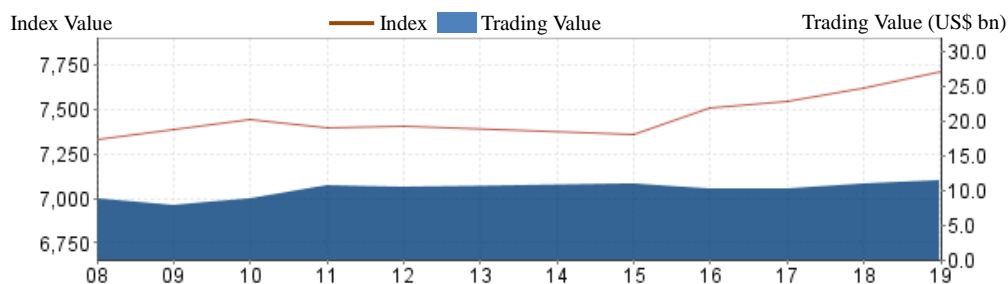
(US\$ bn)



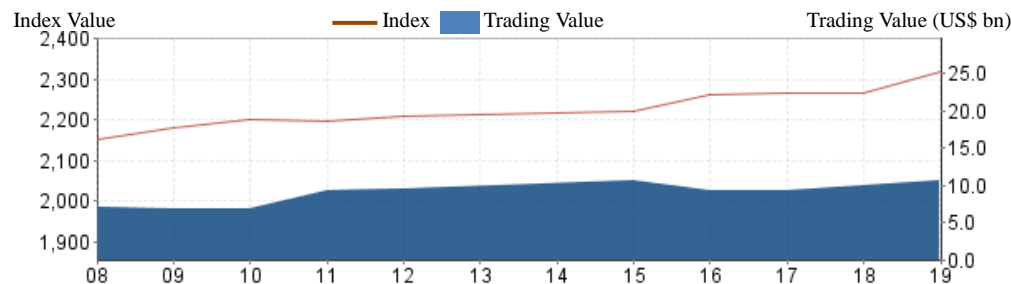
SZSE Component Index (June 08 – June 19)



SME Index (June 08 – June 19)



ChiNext Index (June 08 – June 19)



Market News

1. Yi Huiman: Actively participates in international financial governance

Yi Huiman, Chairman of CSRC, delivered a speech at the 12th Lujiazui Forum on June 18 that CSRC will strengthen extensive cooperation with overseas financial regulators and international financial organizations and actively participate in international financial governance. Mr. Yi proposed to safeguard legitimate rights of investors from various countries by figuring out an enhanced approach to cross-border auditing regulation cooperation through a jointly built enforcement alliance against cross-border irregularities. CSRC will further optimize the Shenzhen/Shanghai-Hong Kong Stock Connect mechanism and expand investment scope and eligibility of Stock Connect to enrich all-round and multi-level pragmatic cooperation between Mainland and Hong Kong.

2. SZSE started to receive IPO application for ChiNext Market from June 15

Shenzhen Stock Exchange started to accept application for ChiNext Market IPO from June 15. From June 15 to June 29 application only opens to listing candidates who have been vetted by CSRC under the pre-existing IPO evaluation system. Acceptation of new IPO

DK (300842)

Wuxi DK Electronic Materials Co., Ltd. principally engages in the research and development, production and sale of new electronic paste and other electronic materials. In 2019, its operating income reached 1,299 million yuan with the net profit of 70.70 million yuan.

Crastal (300824)

Shenzhen Crastal Technology Co., Ltd. principally engages in the research and development, design, production and sale of high-quality small kitchen appliances and supporting products and services. In 2019, its operating income reached 551 million yuan with the net profit of 65.78 million yuan.

applications will begin on June 30 under standard procedure.

3. SZSE Assists Hainan Free Trade Port in High-quality Development

According to a strategic cooperation agreement signed by SZSE and Hainan Government recently, SZSE will encourage companies from competitive industries in Hainan such as tourism, modern services and high-tech industry to get listed on SZSE and support listed companies from Hainan in refinancing, M&A and restructuring. SZSE will also establish a special working task to provide capital market services to Hainan FTP, such as facilitating direct financing through diversified channels such as corporate bonds, asset securitization and REITs.

4. Statistics show China's economic recovery

China's economic activities remain on the track of recovery as the latest data revealed accelerated work resumption across the board. According to the latest data from National Bureau of Statistics, factory activities continued to pick up in May with the value-added industrial output going up by 4.4% YOY. China's retail sales of consumer goods declined by 2.8% YOY in May, rebounded from a 7.5% drop in April. Despite a broader consumption downturn, online sales continued to be active as consumers turned to online services when staying indoors, with an increase of 4.5% YOY in the first five months. Other key economic indicators such as real estate investments and infrastructure investments also showed signs of rebound.

http://www.xinhuanet.com/english/2020-06/16/c_139143625.htm

5. China to issue RMB 100 bn of special government bonds for COVID-19

China will issue RMB 100 bn (USD 14.1 bn) of special government bonds for COVID-19 control measures in a bid to balance epidemic control with economic and social development, the Ministry of Finance (MOF) said on June 15. The MOF will issue two batches of fixed-rate special bonds, including BMB 50 billion of five-year bonds and RMB 50 billion of seven-year bonds. Both products will be listed and traded on June 23, 2020. China will pursue a more proactive and impactful fiscal policy, with fiscal deficit set above 3.6% of GDP and RMB 1 trillion of government bonds to be issued for COVID-19 control this year.

http://www.xinhuanet.com/english/2020-06/15/c_139140907.htm

Analysis**2019 SZSE-Listed Companies' Investor Relations Management Survey**

Jie Chen
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To have a better understanding of SZSE-listed companies' investor relations management, SZSE recently conducted a survey for the first time. The survey was carried out from several aspects, including fundamental institution, resource allocation, working methods and suggestions. A total of 2,206 questionnaires were received, covering all SZSE-listed companies. The results are as follows:

1. Recognized the importance of investor relations management

From the perspective of work objectives, strengthening communication with shareholders, helping investors understand the company's business development strategy and revealing the company's investment value were the three most important objectives. As for the assessment indicators, the frequency and quality of investor communication, compliance with regulatory requirements, and enhancing the brand image were the three most important assessment dimensions.

2. Funding and staffing investor relations management

76% of SZSE-listed companies were equipped with two full-time staff members for investor relations management. "Board secretary & securities affairs representative" was the main mode. 86% of the companies' annual funding in investor relations management was less than 300,000 yuan. 34% of the companies believed they were understaffed, and 3% of the companies thought that the resource investment was seriously insufficient.

3. Synergy and specialization

In terms of internal cooperation, 48% of SZSE-listed companies assisted in cross-departmental assistance in media relations and public opinion management. In terms of external cooperation, 74% of SZSE-listed companies had hired professional service agencies or were considering hiring; investor relations strategic planning (86%), brand image building (83%), and investor relations activities organizing (73%) were believed the most needed or most valuable professional services.

4. Equality and personalization

SZSE-listed companies invested 52% and 48% of their resources respectively to institutional investors and individual investors. 60% of SZSE-listed companies would provide personalized services according to the characteristics of different investors. Considering that individual investors were numerous and susceptible to market rumors, SZSE-listed companies preferred online channel such as Easy-IR App, hotline and so on to strengthen communication.

5. Managing expectations and informing investors

In daily interaction with investors, the most frequently asked questions by individual investors are the company's performance and expectations, stock price fluctuations and market value performance, and the industry's competitive position, etc., while SZSE-listed companies preferred to communicate with investors about the company's business development strategy, long-term development trend and potential investment value. Compared with the communication focus of both parties, individual investors paid more attention to short-term factors such as stock price fluctuations, and listed companies focused on guiding the market to form long-term expectations.

6. Incentives and quality improvements in investor relations management

SZSE-listed companies believed that factors such as the change of regulatory requirements (77%), the increased proportion of institutional investors and foreign investors (75%) and the investors' increasing awareness of shareholders (69%) would further enhance the importance of investor relations management. And they considered financial and peer analysis (89%), strategic planning analysis (87%), interpersonal communication skills (78%) were necessary professional skills in the future. It was suggested that the regulatory authorities took active measures to promote the quality of investor relations management.

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