

Market Summary

Listed Companies (No.)	2,326
- Main Board	469
- SME Board	983
- ChiNext Market	874
Funds	522
Bonds	8,508
Market Cap. (US\$ bn)	4,930.0
- Main Board	1,375.2
- SME Board	1,989.3
- ChiNext Market	1,565.5
Average Turnover Ratio	2.35
Average P/E Ratio	33.58
No. of IPO (YTD)	131

Most Active Companies

1	Byd Company Limited (002594)
2	Yihai Kerry Arawana Holdings Co., Ltd (300999)
3	East Money Information Co., Ltd. (300059)

Top Gainers

1	Guangdong Kingshine Electronic Technology Co.,Ltd. (300903)
2	Jiangxi Everbright Measurement And Control Technology Co.,Ltd. (300906)
3	Poly Plastic Masterbatch (suzhou) Co., Ltd (300905)

Top Decliners

1	Kaidi Ecological And Environmental Technology Co.,Ltd (000939)
2	Meinian Onehealth Healthcare Holdings Co., Ltd. (002044)
3	Zhengzhou Sino-crystal Diamond Co.,Ltd. (300064)

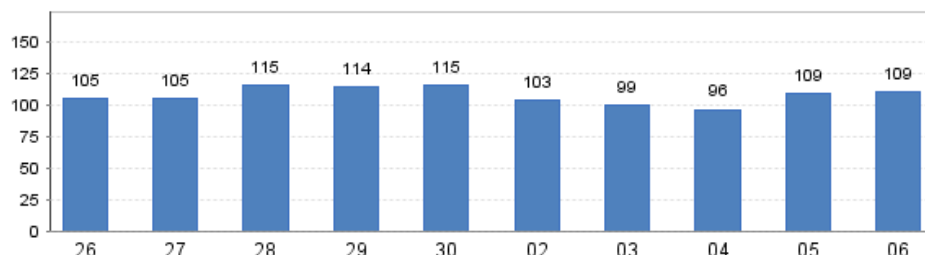
New Listing

Xin Hee (003016)

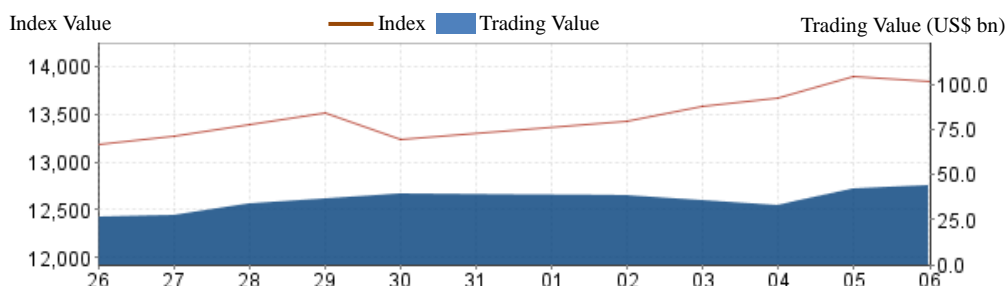
Xin Hee Co., Ltd. principally engages in design, production and sale of high-end women's clothing. In 2019, its operating income reached 1,965 million yuan with the net profit of 242.22 million yuan.

Daily Trading Value (October 26 – November 06)

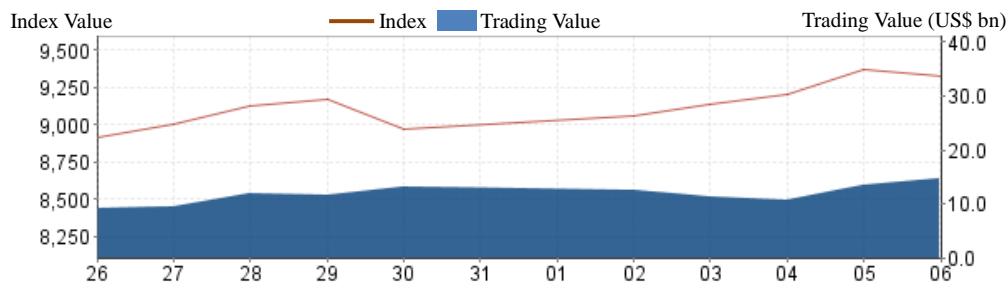
(US\$ bn)



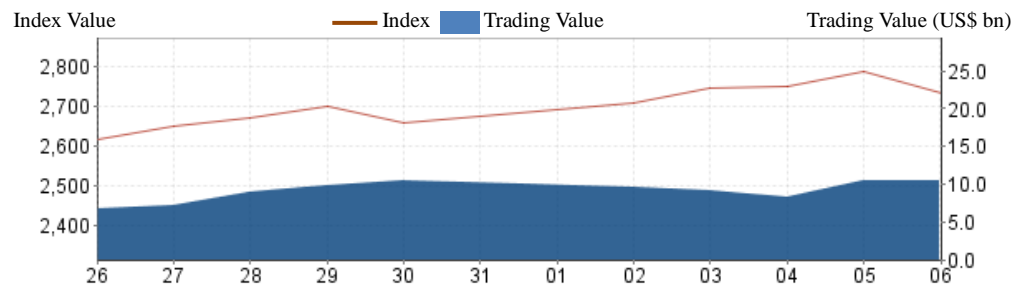
SZSE Component Index (October 26 – November 06)



SME Index (October 26 – November 06)



ChiNext Index (October 26 – November 06)



Market News

I. China proposes development targets for 14th Five-Year Plan period

The fifth plenary session of the 19th Central Committee of the Communist Party of China concluded on Oct. 29 proposed major social and economic development targets for the 14th Five-Year Plan period (2021-2025). The communique from the plenary proposes speeding up the construction of a "dual circulation" development pattern that strengthens domestic circulation of economy while keeping higher-quality cooperation with global economy.

On Oct. 30, the China Securities Regulatory Commission held a meeting to plan and promote key capital market tasks during the "14th Five-Year Plan" period, and accelerate the capital market mechanism to serve the high-quality development of the economy and society. CSRC will continuously focus on increasing the proportion of direct financing, supporting technological innovation. CSRS will prioritize the reform of the registration system and the delisting system which will serve as the starting point for fundamental systems reforms in issuance and underwriting, trading, continuous supervision, and investor protection. CSRC also mentioned prevention of systemic risks as the bottom line for capital market's

Dayang Biotech (003017)

Zhejiang Dayang Biotech Group Co., Ltd. principally engages in production and sale of chemical raw materials such as inorganic salts and veterinary raw materials. In 2019, its operating income reached 622 million yuan with the net profit of 79.50 million yuan.

Guanglian Aviation (300900)

Guanglian Aviation Industry Co., Ltd. principally engages in research and development, and manufacturing of aviation industry-related products. In 2019, its operating income reached 268 million yuan with the net profit of 74.65 million yuan.

Zoenn Design (Stock Code: 300901)

Zhejiang Zoenn Design Co., Ltd. principally engages in shoes fashion product design. In 2019, its operating income reached 686 million yuan with the net profit of 109.18 million yuan.

Guoanda (300902)

Guoanda Co., Ltd. principally engages in research and development, production and sale of automatic fire extinguishing devices. In 2019, its operating income reached 277 million yuan with the net profit of 74.57 million yuan.

Kingshine (300903)

Guangdong Kingshine Electronic Technology Co., Ltd. principally engages in research and development, production and sale of high-density printed circuit boards. In 2019, its operating income reached 1,328 million yuan with the net profit of 74.96 million yuan.

Poly (300905)

Poly Plastic Masterbatch (SuZhou) Co., Ltd. principally engages in research and development, production and sale of fiber masterbatch, the core raw material for coloring and functional modification of chemical fiber dope. In 2019, its operating income reached 712 million yuan with the net profit of 100.66 million yuan.

development and reform.

2. CSRC: Promote the implementation of Shenzhen's comprehensive reform pilot program

The State Council Information Office held a press conference on October 18, 2020. Yan Qingmin, CSRC Vice Chairman attended the press conference and said that CSRC will earnestly implement Shenzhen's implementation plan for comprehensive reform pilot program in terms of capital market development which included the following measures.

- Optimize the functions of the ChiNext under the registration system
- Support the Shenzhen Stock Exchange to deepen market sector reforms with the mission of building a high-quality innovative capital center and a world-class exchange.
- Support the graduation of companies quoted on the NEEQ Selected Layer
- Steadily expand the pilot program of stock options to better meet the risk management needs of investors.
- Improve the transparency and efficiency of private equity fund, facilitate product registration and filing and support the deep integration of technology and finance.

3. ChiNext Q3 report shows strong momentum of listed companies

As of October 30, 2020, 870 companies out of the 871 listed companies on the ChiNext Market have disclosed their Q3 financial report. The overall performance of ChiNext companies in the first three quarters continued the strong growth trend in the last two quarter. The 870 companies achieved an average operating income of 1.518 billion yuan in the first three quarters, a year-on-year increase of 5.62%; net profit attributable to shareholders of the parent company was 153 million yuan, a year-on-year increase of 21.48%. It is worth mentioning that the performance of newly listed companies under the registration system is significantly better than the average. In addition, thanks to the optimization of refinancing rules and the improvement of review efficiency, refinancing has increased significantly so far this year.

4. SZSE Releases the revised Implementation Rules for QFIIs and RQFIIs

On October 30, SZSE, following the revision of QFII and RQFII rules by CSRC, released the newly revised edition of the *Implementation Rules on Securities Trading of QFIIs and RQFIIs on the Shenzhen Stock Exchange*, effective from November 1, 2020. The revision mainly includes:

- Expanding investment scope. Apart from the previously-allowed investment scope, qualified foreign investors are now allowed to invest in depositary receipts, stock options, government-backed bonds, etc. and participate in bond repo, securities margin trading and refinancing securities lending transactions.
- Improving shareholding ratio disclosure and excess shareholding reduction arrangements. SZSE has adjusted the disclosure threshold for total foreign shareholding of a certain listed company from 26% to 24%, and optimized the shareholding reduction arrangements when total foreign shareholding ratio exceeds 30%.
- Facilitating investment operation. SZSE has removed the cap on the number of securities companies that foreign investors are allowed to use, and specified the requirements for handling of transfer by agreement and non-deal transfer of qualified foreign investors.
- Strengthening compliance requirements. The responsibility of securities firms and futures firms has been clarified in terms of management of QFII and reporting of non-compliant and illegal behaviors. QFII is required to ask the clients under the QFII's account to conduct information disclosure duty. The post of supervisor is added in QFII to perform compliant function.

Everbright (300906)

Jiangxi Everbright Measurement And Control Technology Co., Ltd. principally engages in research and development, production and sale of track safety measurement and control equipment, and research and application of track measurement and control technology. In 2019, its operating income reached 153 million yuan with the net profit of 62.24 million yuan.

JinFu Technology (003018)

JinFu Technology Co., Ltd. principally engages in research and development, production and sale of plastic packaging products such as plastic anti-theft bottle caps. In 2019, its operating income reached 598 million yuan with the net profit of 103.7679 million yuan.

5. Goldman Sachs: A shares are assets that global investors must hold

Goldman Sachs issued A-share operation guidelines for overseas investors, stating that A-shares are assets that global investors must hold. Goldman Sachs said that in 2020, global GDP is expected to fall by 4.1% year-on-year, which is the worst decline since the 1930s. From February to March, global stock markets also experienced a historically tragic plunge. Even in this context, China's A shares have risen by 15% so far this year, outperforming almost all major stock markets in the world, and it can be said to be a bright spot in the global stock market. As the world's second largest, deepest, and rapidly growing stock market, A shares have brought benefits to many global stock investment portfolios.

Analysis

Introduction to Mainland/Hong Kong ETF Product Link

In 2019, the Central Committee of the Communist Party of China and the State Council issued the "Guangdong-Hong Kong-Macao Greater Bay Area Development Plan Outline" and "Opinions on Supporting Shenzhen to Build a Pilot Demonstration Zone of Socialism with Chinese Characteristics", and proposed orderly advancement of "interconnection with Hong Kong and Macao financial markets". Under the guidance of the China Securities Regulatory Commission and the Securities and Futures Commission, SZSE and HKEX have worked closely together and came out with the Shenzhen-Hong Kong ETF product link plan. On October 23, 2020, the Shenzhen-Hong Kong ETF Product Link was officially launched.



1. Project Features

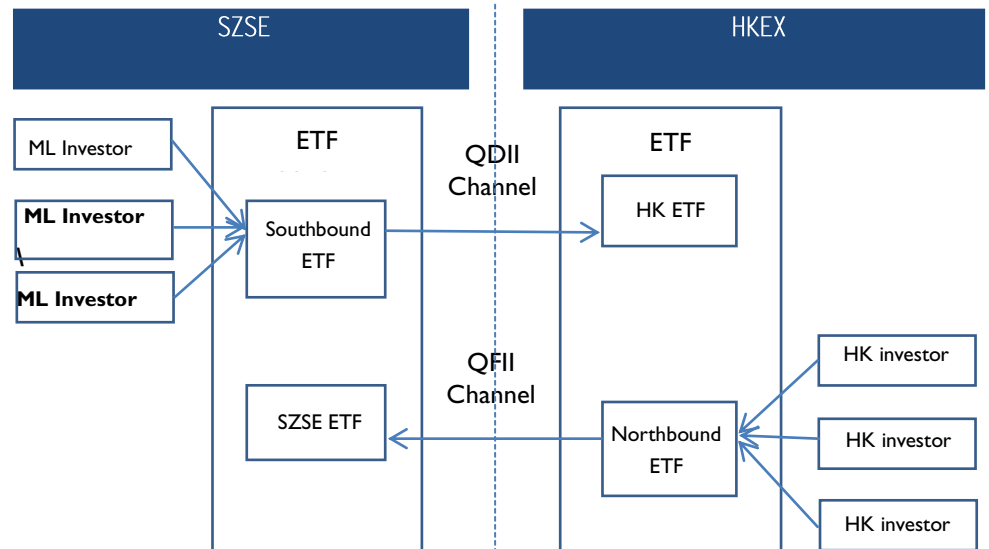
Shenzhen-Hong Kong ETF Product Link takes the form of master-feeder fund where Mainland or Hong Kong fund managers use QDII/QFII channels to establish feeder funds to invest in the counterparty's ETF products. Specifically, in the southbound direction, mainland fund companies set up ETFs to subscribe or buy a single ETF on the Hong Kong Stock Exchange via the QDII (Qualified Domestic Institutional Investor), and the proportion of investment in a single target ETF shall not be lower than that of the fund Assets are 90%. The southbound ETF is listed and traded on SZSE where Hong Kong asset management companies set up ETFs in Hong Kong and list them in HKEX, in the form of QFII or RQFII, to subscribe to or buy SZSE single ETF, and the proportion of investment in single target ETF shall not be lower than 90% of the fund assets

2. Products

Four managers participated in the first batch of Shenzhen-Hong Kong ETF Product Link, and four products were issued. Among the first batch of Shenzhen-Hong Kong ETF Connect products, Harvest Hang Seng China Corporate ETF and Yinhuo ICBC CSOP S&P China New Economic Industry ETF were listed on SZSE, and Hang Seng Harvest CSI 300 ETF and CSOP Yinhuo CS 5G Communications Theme ETF were listed on the HKEX.

Product	NO.	Direction	AUM (RMB)
Harvest Hang Seng China Corporate ETF	159823	Southbound	300 million
(Hang Seng Harvest CSI300 Index ETF)	3130.hk	Northbound	30 million
Yinhua ICBC CSOP S&P China New Economic Industry ETF	159822	Southbound	900 million
CSOP Yinhua CS 5G Communications Theme ETF	3193.hk	Northbound	34 million

3. Scheme structure



4. Significance

- Serving the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen's pioneering demonstration zone construction. The Shenzhen-Hong Kong ETF Product Link will help promote the integration and shared development of the mainland and Hong Kong financial markets.
- Further deepening the interconnection between Shenzhen and Hong Kong markets. The Shenzhen-Hong Kong ETF Product Link is conducive to enriching the trading tools of the two exchanges, facilitating cross-border investment and wealth management by investors in the two places.
- Promoting the two-way opening of the capital market. The Shenzhen-Hong Kong ETF Product Link will further broaden the investment channels of foreign funds in the domestic market.

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We welcome any feedbacks with respect to Market Bulletin or other information services offered by the SZSE. Should you have any inquiries, comments or proposal for cooperation, please let us know at international@szse.cn

Rotating Editor: Jing Guo

Attachment: SZSE Fund Market (As of November 6, 2020)

Category	No. of Product	AUM (Yuan)	Daily Turnover (Yuan)
Total	522	280 billion	11.7 billion
ETF	110	199 billion	9.9 billion
LOF	249	46.8 billion	857 million
Close-end Fund	1	805 million	0.30 million
Structured Funds	162	33.7 billion	890 million