

## Market Summary

Listed Companies (No.)	2,354
- Main Board	468
- SME Board	994
- ChiNext Market	892
Funds	487
Bonds	8,558
Market Cap. (US\$ bn)	5,233.4
- Main Board	1,487.8
- SME Board	2,072.1
- ChiNext Market	1,673.6
Average Turnover Ratio	2.27
Average P/E Ratio	34.51
No. of IPO (YTD)	161

## Most Active Companies

1	East Money Information Co., Ltd. (300059)
2	Byd Company Limited (002594)
3	Boe Technology Group Co., Ltd (000725)

## Top Gainers

1	Marssenger Kitchenware Co., Ltd. (300894)
2	Shenzhen Farben Information Technology Co., Ltd. (300925)
3	Genbyte Technology Inc. (003028)

## Top Decliners

1	Hnac Technology Co., Ltd. (300490)
2	Shenzhen Quanxin hao Co., Ltd. (000007)
3	Jiangsu Dewei Advanced Materials Co., Ltd (300325)

## New Listing

### SDG Service (300917)

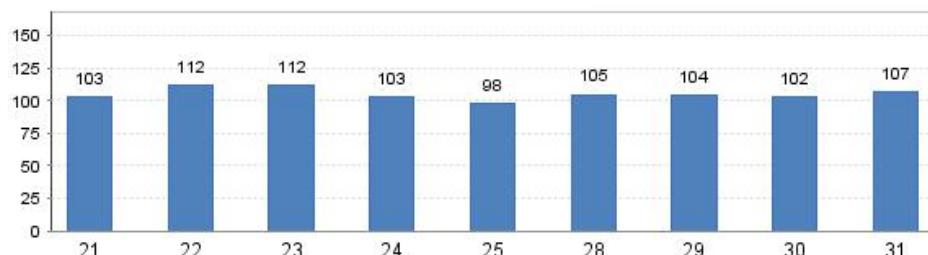
Shenzhen SDG Service Co., Ltd. principally engages in comprehensive facility management services. In 2019, its operating income reached 891 million yuan with the net profit of 65.32 million yuan.

### Nanshan Zhishang (300918)

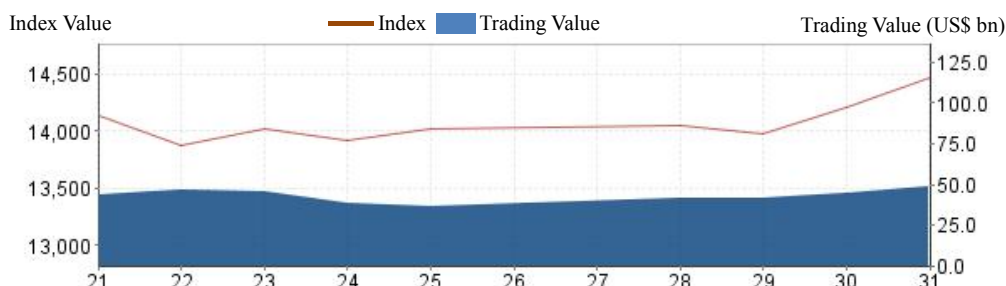
Shandong Nanshan Zhishang Sci-Tech Co., Ltd. principally engages in research and development, design, production and sale of worsted fabric, formal wear and protective products. In 2019, its operating income reached 1,771 million yuan with the net profit of 121.78 million yuan.

## Daily Trading Value (December 21 – December 31)

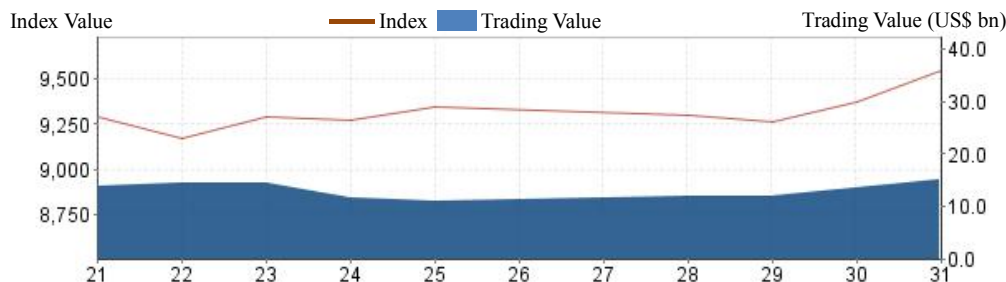
(US\$ bn)



## SZSE Component Index (December 21 – December 31)



## SME Index (December 21 – December 31)



## ChiNext Index (December 21 – December 31)



## Market News

### I. Speech of Yi Huiman on the symposium of the 30th anniversary of the establishment of China's capital market.

The capital market has accumulated over 21 trillion yuan in equity financing. Since the launch of the STAR Market, the amount of IPO financing has accounted for nearly half of the A-shares in the same period; the exchange bond market has been steadily developed with a remaining balance of nearly 16 trillion yuan; 90 futures and options have been steadily launched.

At present, there are more than 4,100 listed companies in China, and a group of globally competitive companies have entered the world's top 500. Public fund management assets worth nearly 19 trillion yuan, and the proportion of equity funds has increased by 14% in the past two years; nearly 25,000 private equity fund managers have been registered, with assets under management of about 16 trillion yuan.

In the 2019 World Bank's business environment assessment, China's ranking of indicators for protecting small and medium investors has risen to 28th.

Next, we will put scientific and technological innovation in a more prominent position and

### **NOVA Technology (300921)**

NOVA Technology Corporation Limited principally engages in provision value-added telecommunications services and related system integration solutions. In 2019, its operating income reached 502 million yuan with the net profit of 71.90 million yuan.

### **CNGR (300919)**

CNGR Advanced Material Co., Ltd. principally engages in research and development, production, processing and sale of lithium battery cathode material precursors. In 2019, its operating income reached 5,311 million yuan with the net profit of 179.82 million yuan.

### **Jilin University Zhengyuan (003029)**

Jilin University Zhengyuan Information Technologies Co., Ltd. principally engages in research and development, production and sale of information security products and provision of relevant services. In 2019, its operating income reached 600 million yuan with the net profit of 88.95 million yuan.

### **Yeal (300923)**

Yeal Electric Co., Ltd. principally engages in research and development, production and sale of electrical equipment for rail vehicles. In 2019, its operating income reached 371 million yuan with the net profit of 59.70 million yuan.

### **Runyang Technology (300920)**

Zhejiang Runyang New Material Technology Co., Ltd. principally engages in research and development, production and sale of non-toxic and environmentally friendly polymer foams. In 2019, its operating income reached 365 million yuan with the net profit of 115.83 million yuan.

### **Tianqin Equipment (300922)**

Qinhuangdao Tianqin Equipment Manufacturing Co., Ltd. principally engages in research and development, production and sale of special protective devices and equipment parts with new processing and application technologies for polymer composite materials. In 2019, its operating income reached 213 million yuan with the net profit of 52.55 million yuan.

support the Shanghai Stock Exchange and Shenzhen Stock Exchange to accelerate the construction of high-quality innovative capital centers and world-class exchanges; We will use the reform of the registration-based IPO system and delisting system as an important starting point to strengthen the construction of basic systems; We will continue to optimize refinancing, institutional arrangements such as mergers and acquisitions, equity incentives, etc..

### **2.First Anniversary of Launch of SZSE Options**

On December 23, 2019, the Shanghai-Shenzhen 300ETF Option, the first exchange standard derivative on the SZSE market, was successfully listed. It is a historical breakthrough in the derivative market of SZSE, marking an important step that SZSE has taken in building a complete product system. Over the past year since its launch, a total of 78.22 million Shanghai-Shenzhen 300ETF Options were traded, with a face value of CNY 3.47 trillion. With stable transaction, smooth market operation, effective market regulation, rational investors, and its gradually fulfilled market functions, the Shanghai-Shenzhen 300ETF Option has achieved the expected goal of "a steady and good start".

### **3.Shenzhen: To build a global financial innovation center**

On December 31, 2020, the Shenzhen's 14th Five-Year Plan was published. Shenzhen is going to create a global innovative capital formation center, support the innovative development of the Shenzhen Stock Exchange, promote the restoration of the Shenzhen Stock Exchange's main board listing function, and improve the multi-level capital market system. Shenzhen will build a global financial technology center, lay out of a new generation of financial infrastructure in advance, improve the security level of key information infrastructure in the financial industry, and improve the financial technology industry incubation mechanism. Shenzhen will support the establishment of foreign-controlled securities, funds, futures, and insurance companies, promote interconnection and mutual recognition of financial products with Hong Kong and Macao financial markets, and build bond platforms and insurance service centers in the Guangdong-Hong Kong-Macao Greater Bay Area. Shenzhen will create a national green finance reform and innovation pilot zone, and explore the use of financial means to solve sustainable development issues in the environmental and social fields. Shenzhen will build a financial innovation supervision pilot zone, explore local financial supervision legislation, promote the establishment of financial courts, and take a try of the "sandbox supervision" management model.

### **4.China to build more entrepreneurship, innovation demonstration bases**

China will build 92 demonstration bases in designated areas, enterprises, universities, and research institutes, according to a circular released on Thursday by the State Council, China's cabinet. A differentiated development strategy will apply in the development of these bases, the circular said. The aim is to develop them into platforms for entrepreneurship and employment and make them pioneers of integration and innovation. The country also seeks to help micro, small and medium-sized enterprises become significant sources of innovation and focuses on deepening open and innovative cooperation to build a global platform.

### **5.Over 600,000 5G base stations to be built in 2021**

China will build more than 600,000 5G base stations in 2021, as the nation scrambles to accelerate the rollout of the wireless technology. The plan came as China has already constructed more than 700,000 5G base stations so far, with 5G signals available in more than 300 cities at county level and above in the nation.

**Genbyte (003028)**

Genbyte Technology Inc. principally engages in supply of high-end intelligent controllers, variable frequency drives, digital power supplies and intelligent IoT modules. In 2019, its operating income reached 697 million yuan with the net profit of 115.75 million yuan.

**Farben Information (300925)**

Shenzhen Farben Information Technology Co., Ltd. principally engages in provision of software information technology outsourcing (ITO) services. In 2019, its operating income reached 1,307 million yuan with the net profit of 95.95 million yuan.

**Marsseger (300894)**

Marsseger Kitchenware Co., Ltd. principally engages in research and development, design, production and sale of new kitchen appliances. In 2019, its operating income reached 1,326 million yuan with the net profit of 239.73 million yuan.

**Analysis****A Brief analysis on the Revision of Relevant Rules Concerning Delisting**

On December 14, SZSE revised relevant business rules including the Rules Governing Share Listing on SZSE, Rules Governing the Listing of Shares on the ChiNext Market of SZSE, Trading Rules of SZSE and Implementation Measures of SZSE for the Re-listing of Delisted Companies.

**I. Arrangements in the transitional period**

- 2020 is given as the base year for assessing the financial-related delisting risk warning. Any delisting risk warning should be judged on the basis of its 2020 annual report or ascertained in the decision of administrative penalty that the violation taking place in 2020.
- Regarding major violation related delisting indicators, we have added the “fraud amount+fraud proportion” quantitative indicator. The monitoring period of the indicator is three years, with 2020 as start of the three consecutive years.
- [for Main Board and SME Board]The newly added indicators for the market value-based delisting will be implemented 6 months after the promulgation of the new rules.
- For other indicators for compulsory delisting in the category of trading, in counting the number of the days when the company continuously triggers the indicators, the number of the days of triggering the indicators before and after the implementation of the new rules shall be counted continuously.
- In judging whether a company has triggered the circumstances of other risk alerts stipulated by the new rules, 2020 shall be the most recent financial year, and the years from 2018 to 2020 shall be the most recent three consecutive financial year.

**2.Changes in delisting in Main Board and SME Board**

Compulsory Delisting Standard(Main Board and SME Board)		
	Delisting standards after revision (delisting process is triggered upon any of the standards)	What is new in terms of standards
Trading -based standards	The closing price of the company's shares on each trading day is less than <b>RMB 1 Yuan</b> per share for twenty consecutive trading days	Changing from” <b>par value</b> ”to “ <b>RMB 1 Yuan</b> ”
	The total market value of the shares at the closing each day on the Exchange is less than RMB 300 million for 20 consecutive trading days	Newly added
Financial -based standards	The combined financial indicators of negative net profits before and after deducting non-recurring gains and losses and less than RMB100 million in the operating income* (*When calculating the aforementioned "operating income", business income that has nothing to do with the main business and related party transaction income without commercial substance will be deducted)	Newly added
	The audited net assets of the company at the end of the most recent financial year are negative	Newly added
	The company's financial report for the most recent financial year is issued with a disclaimer of opinion or adverse opinion	Newly added
Compliance-based standards	Major defects in information disclosure or operational compliance	Newly added

	<p>If a listed company triggers a specified indicator and is required to make corrections within a time limit but the company fails to make corrections within the specified time limit, trading in the company's shares will be suspended. If the company remains uncorrected within 2 months of the suspension, a delisting risk warning will be implemented; if the company remains uncorrected within 2 months thereafter, SZSE will terminate the listing of the company's shares.</p> <p>The indicators specifically include:  (1) SZSE fails to get the company's effective information source;  (2) The company refuses to disclose material information that should be disclosed;  (3) The company seriously disrupted the order of information disclosure and caused bad effects;  (4) Other situations where SZSE believes that the company has major defects in information disclosure or standardized operation</p>	
	<p>More than half of directors being unable to ensure authenticity, accuracy or completeness of annual reports or semiannual reports</p> <p>If the company fails to make corrections within the statutory disclosure period of the semi-annual report or the annual report, the company's shares shall be suspended from trading. If the company remains uncorrected within 2 months of the suspension, a delisting risk warning shall be implemented; if the company remains uncorrected within 2 months thereafter, SZSE will terminate the listing of the company's shares.</p>	Newly added
Standards related to severe violations of rules and laws	<p>According to the facts ascertained in the CSRC's administrative penalty decision, the annual report disclosed by the company contains false records, misleading statements or major omissions, the amount of the inflated net profit of the listed company in each year is more than 100% of the amount of net profit disclosed in the year's annual report for three consecutive years, and the total amount of the inflated net profits in the three years reaches more than RMB 1 billion;  or the total amount of inflated profits in each year is more than 100% of the amount of profits disclosed in the year's annual report for three consecutive years, and the total amount of the inflated profits in the three years reaches more than RMB 1 billion;  or the total amount of false records in all items of the balance sheet in each year is more than 50% of the amount of the net assets disclosed in the year's annual report for three consecutive years, and the cumulative amount of false records in the three years totals more than RMB 1 billion (<i>if the figures involved in the aforementioned indicators are negative, the absolute value should be adopted in calculation</i>).</p>	Newly added

### Compulsory Delisting Process(Main Board and SME Board)

	Delisting process after revision	What is new in terms of standards
Financial -based process	The procedures of listing suspension and listing resumption are cancelled, and it is stipulated that the listed companies will have the listing terminated when they trigger the indicators for the category of financial affairs in two consecutive years.	Newly added
Trading -based process	The setting of delisting arrangement period for the circumstances of delisting in the category of trading is cancelled, the price limits will not be set on the first day of the delisting arrangement period, and the time limit of trading for the delisting arrangement period will be shortened from 30 trading days to 15 trading days.	Revised
Process related to severe violations of rules and laws	The start point for the continuous listing suspension in the category of major violations will be delayed from the date of receipt of the advance notice on administrative penalty or the court's judgment to the date of receipt of the administrative penalty decision or the effective judgment of the court.	Revised
Risk warning	A finance related delisting risk warning (*ST) is given as described in the decision of administrative punishment	Newly added
	Two other situations in which a special risk warning (ST) is given, namely, situations where there are doubts about the company's ability to operate as a going concern and where the internal audit report or verification report is issued with disclaimer of opinion or adverse opinion.	Newly added
	set up the <b>risk warning board*</b> that includes stocks with a risk warning and stocks undergoing delisting transition	Newly added

\*: 1.The requirement that ordinary investors shall sign the risk disclosure statement when buying stocks with a risk warning for the first time is added. 2. Set the upper limit of trading volume of stocks with a risk warning, allowing investors to buy no more than 500,000 shares of a single stock with a risk warning in a day through centralized bidding, bulk trading and after-hours pricing and trading.

### 3.Changes in delisting in ChiNext Market

The ChiNext Market has revised the relative contents concerning delisting in June, and this time only small patches were made.

Compulsory Delisting (ChiNext Market)		
Delisting standards after revision		What is new in terms of standards
Compliance-based standards	The standard related delisting indicator that more than half of directors are unable to ensure the authenticity of annual reports or half-year reports, and further defined major defects in information disclosure or standard operation including that the company has lost contact channels for information disclosure, that the company refuses to disclose important information as required and that the company has severely disturbed information disclosure order.	Newly added
Financial -based standards	A finance related delisting risk warning as determined in the decision of administrative punishment	Newly added
	The criteria for the major violation of financial fraud to determine whether a company triggers a delisting for major violations from the perspectives of net profit, total profit and assets.	Newly added
Delisting process after revision		What is new in terms of standards
	Adjusted the two reviews by the listing committee for delisting due to major violations of law to one review	Revised
	Included stocks with a risk warning and stocks undergoing delisting transition in the risk warning board for trading.	Newly added
	The delisting transitional period has been cut down to 15 trading days.	Newly added
	Included stocks with a risk warning and stocks undergoing delisting transition in the risk warning board for trading.	Newly added

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