

SZSE Issues A Development Index of Private Enterprises to Facilitate Their Healthy Development

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On March 5th, SZSE and Shenzhen Securities Information Co., Ltd. officially issued SZSE Private Enterprise Development Index (index abbreviation: Private Enterprise Development, index code: 399292). This is the first index in the whole market that reflects the development quality of private enterprises. It will help further develop SZSE's characteristics and advantages of serving the private economic sector to enhance the ability of finance to serve the real economy

By setting fundamentals and stock liquidity screening conditions, the index selects 500 sample stocks that features better financial indicators from the private listed companies having higher proportion of pledge shares by major shareholders. It comprehensively reflects the market performance of such private SZSE-listed companies with development prospects and equity pledges.

Private economy is an important part of the socialist market economy and an important force for deepening reforms, promoting innovation, increasing employment, improving people's livelihood, building a modern economic system, and promoting high-quality economic development. All along, SZSE has actively brought into play the advantage of innovative capital formation and the function of resources optimal allocation to support and serve the healthy development of private enterprises. At present, the number of private enterprises accounts for more than 70% of the total SZSE-listed companies, with their market capitalization accounting for more than 60% of the total. Besides, the number of private enterprises accounts for more than 80% of the SME Board and more than 90% of the ChiNext Board.

An SZSE officer said that the newly released index is SZSE's another important measure to help private listed companies achieve medium and long-term healthy development. After the index was released, SZSE encourages fund companies to set up relevant products to track the index, continue to promote the development and innovation of related bail-out financial products, and vitalize the stock shares of lending agencies of stock pledge business. Besides, we also encourage them to meet the investment needs of bail-out funds of local governments and financial institutions. In so doing, we offer effective means to relieve the stock pledge risks of

shareholders of listed companies and provide strong support for the development of private enterprises that are in line with the national industrial development direction and have advanced technologies and products with favorable market shares in the real economy field mainly. Also, new channels are created for investors to share the development and dividends of private enterprises.