



Business Reporting for Better Decisions
by Managers, Investors, Governments and Citizens



18th International XBRL Conference

XBRL Emerging in an Emerging Market

—XBRL practice at SZSE

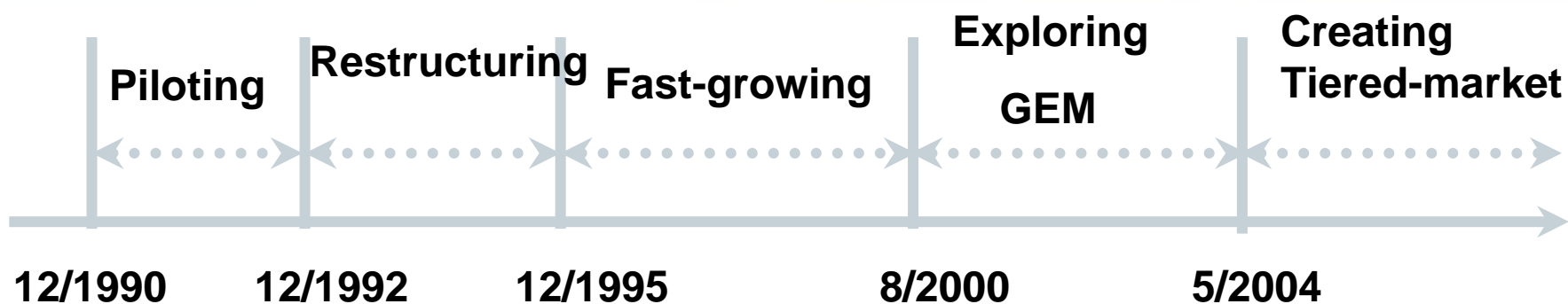
Song Liping, President & CEO

Shenzhen Stock Exchange

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- 1** *Market at a Glance*
- 2** *XBRL work at SZSE*
- 3** *Gains from XBRL work*
- 4** *Challenges and ongoing process*

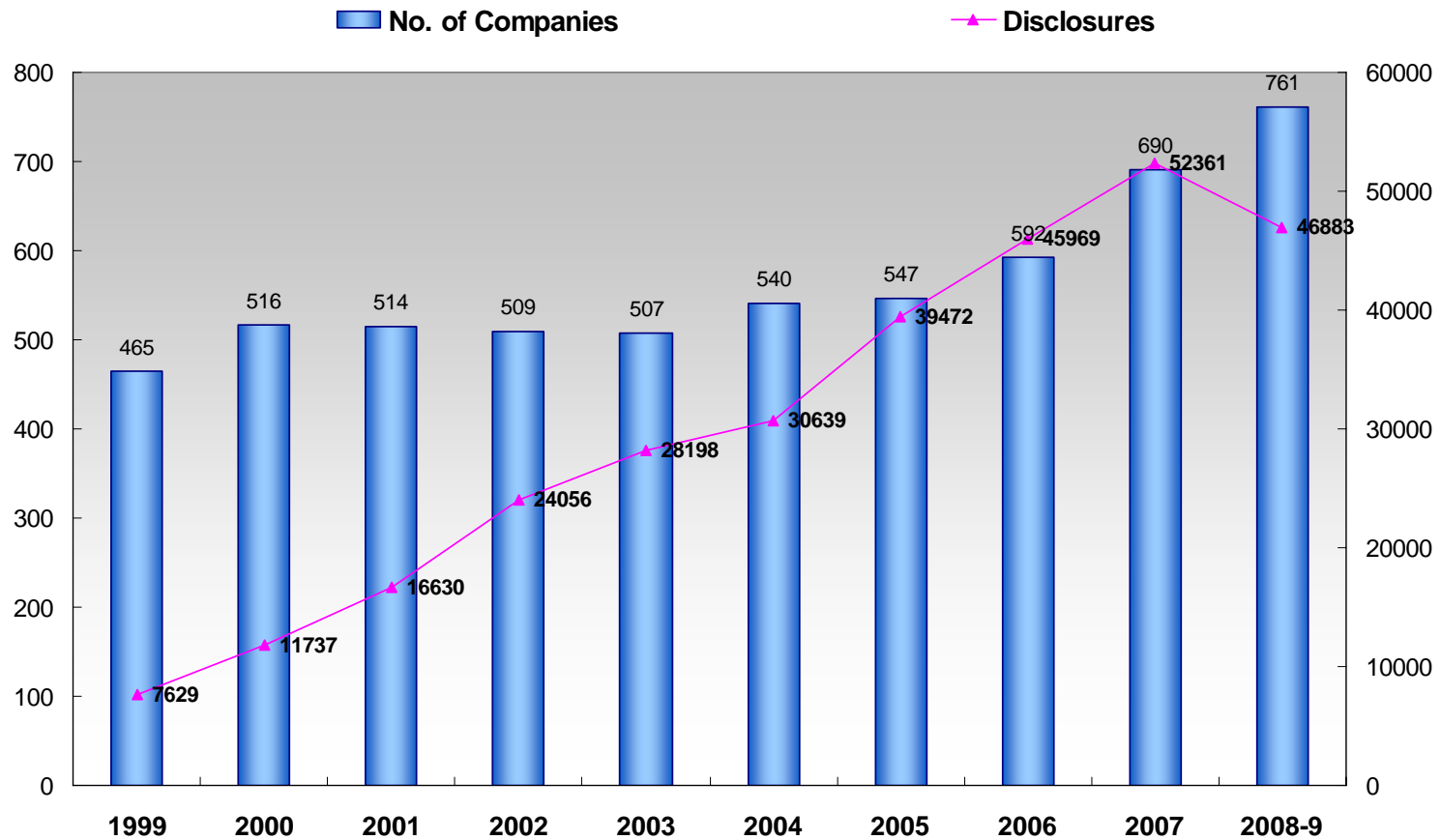
1. Market at a glance -Historical Evolution



- 12/1990** Starting Operations
- 8/1997** Under CSRC oversight
- 8/2000** Initiating preparation for GEM
- 5/2004** Launching SME Market
- 12/2005** Further developing OTC STS

1. Market at a glance — A Growing Market

Listed Companies and Information Disclosures



1. Market at a glance — Investors Structure (1)

Individual investors type (share-holdings in 1,000 yuan)	Investors (%)	Capitalization ratio (%)	Ratio of trading value (%)
0	0.000	0.000	0.928
100	83.37	15.36	26.375
100~1000	15.39	26.37	39.694
1000~5000	0.922	11.597	14.404
5000~10000	0.065	2.867	3.049
10000 and over	0.033	4.147	2.987

- Source: Shenzhen Stock Market Investors Structure and Behavior, Year 2007, Financial Innovation Lab. and Research Institute , SZSE

1. Market at a glance — Investors Structure (2)

Investors structure and trading behavior

Small and Medium investors:

- Holding the largest portion of market cap
- Major liquidity provider
- Trading frequently

**Information
needs**

**Easy-access
User-friendly
Reprocess-ready
Low or zero cost
Fast and wide dissemination**

1. Market at a glance — Open to the World

China is more open after joining WTO

In year 2007

- FDI 82.6 billion USD
- QFII quota 30 billion USD
- QDII more than 30 billion USD

International Investors needs

- XBRL data to Bloomberg and Thomson Reuters
- Corporate Action data to HSBC

Support

International standard and interactive data to the world

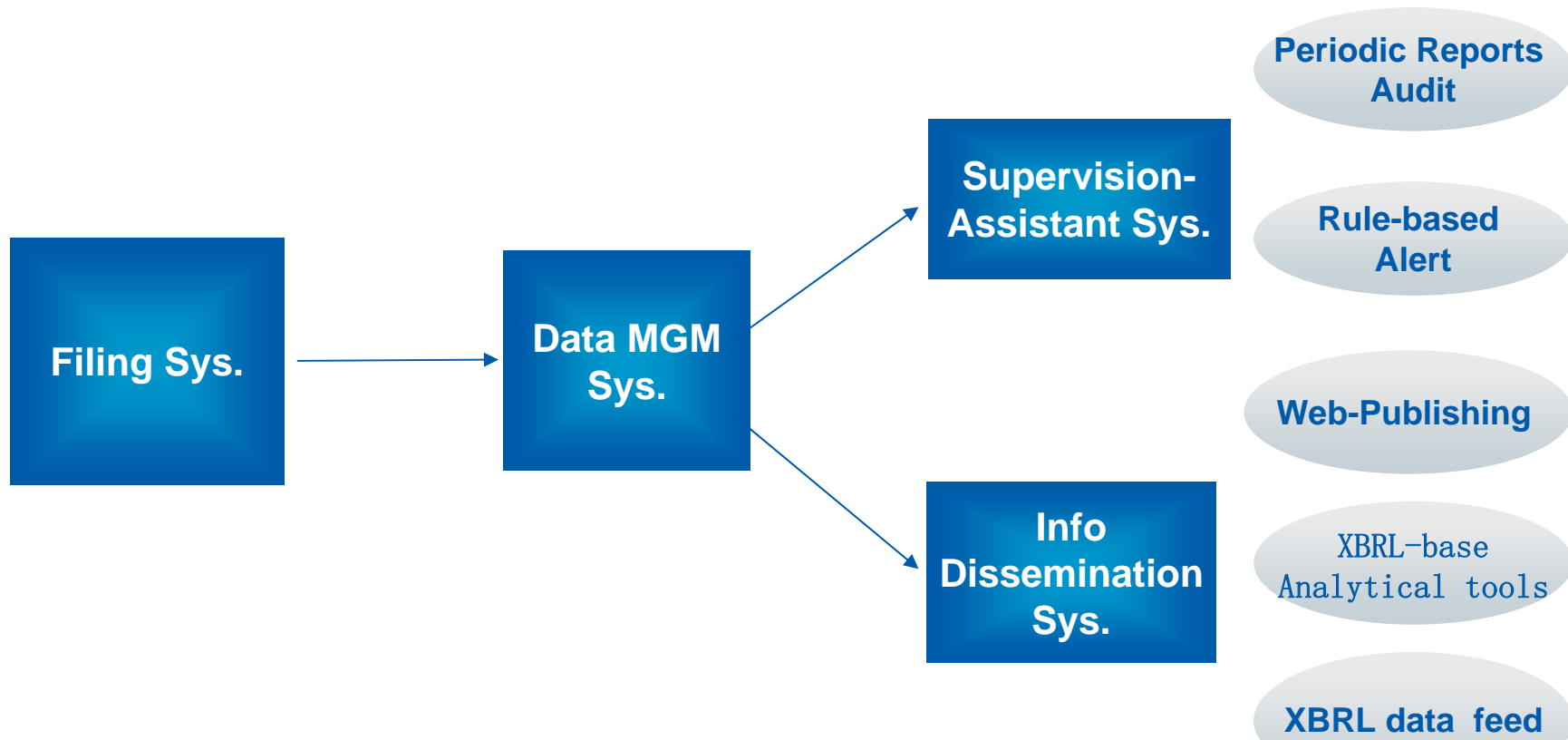
- 2007 New accounting standard converging to IFRS
- Implemented XBRL for disclosure practice

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2. XBRL work at SZSE — Overview

- Jan. 2003 CSRC formed a task force setting up a framework of *Electronic information Disclosure standard for listed companies*
- April, 2003 SZSE completed an XBRL-based *Electronic information Disclosure standard for list companies*
- Oct. 2004, SZSE Updated XBRL-capable filing software for listed companies
- Feb. 2005, SZSE published XBRL application guidelines and implemented web-published annual reports for Shenzhen Composite Index companies
- Since 2004, all listed companies started submitting their periodic disclosure data through XBRL-capable filing software SZSE provided.
- Since 2006, according to New Accounting Standard, updated Electronic information Disclosure standard for listed companies And XBRL-capable filing software

2. XBRL work at SZSE — Info Disclosure Structure



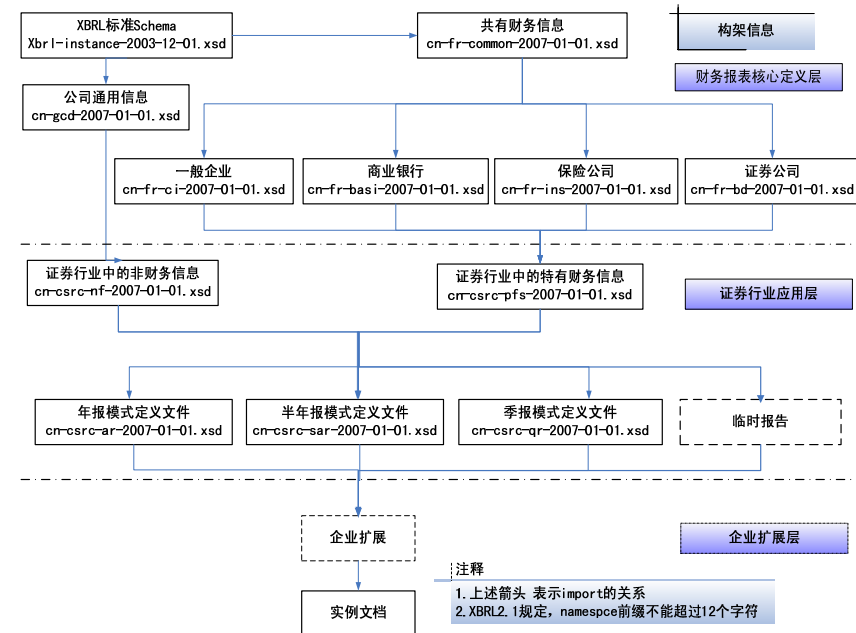
Core Practice 1: Taxonomy-based data exchange
Core Practices 2: whole-course electronic disclosure process

2.XBRL work at SZSE — Taxonomy

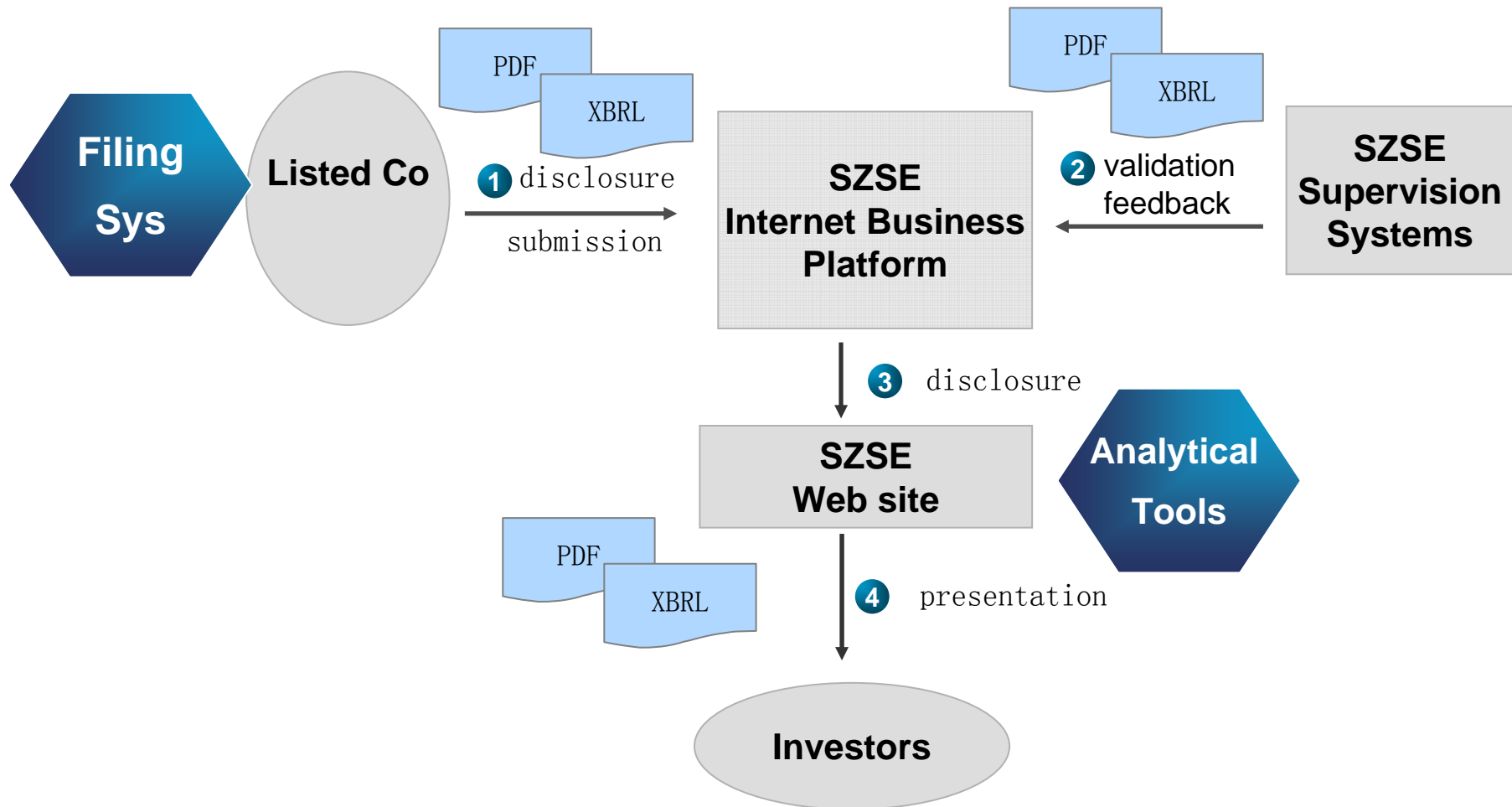
Taxonomy Items

Items		No.
elements	Financials	438
	Notes to Financials	1201
	Non-financials	1307
	Total	2946
Tuple		109
Relation		15010
Schema files		12
Likebase		30

Taxonomy Structure



2.XBRL work at SZSE — Whole-course Electronic Disclosure Process

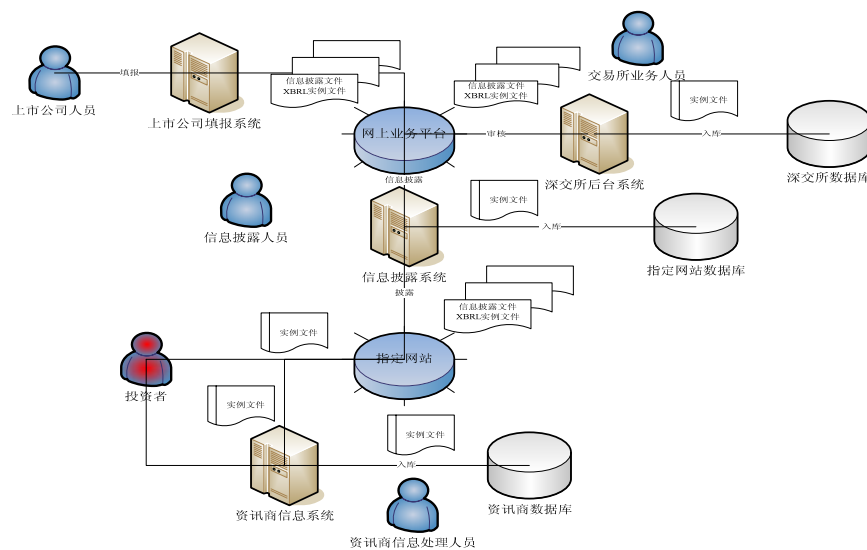


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3. Gains from XBRL— Faster, Better Quality (1)

XBRL whole-course disclosure process:

1. Preparers generate XBRL data
2. SZSE performs data collection, validation
3. SZSE provides data for the industry



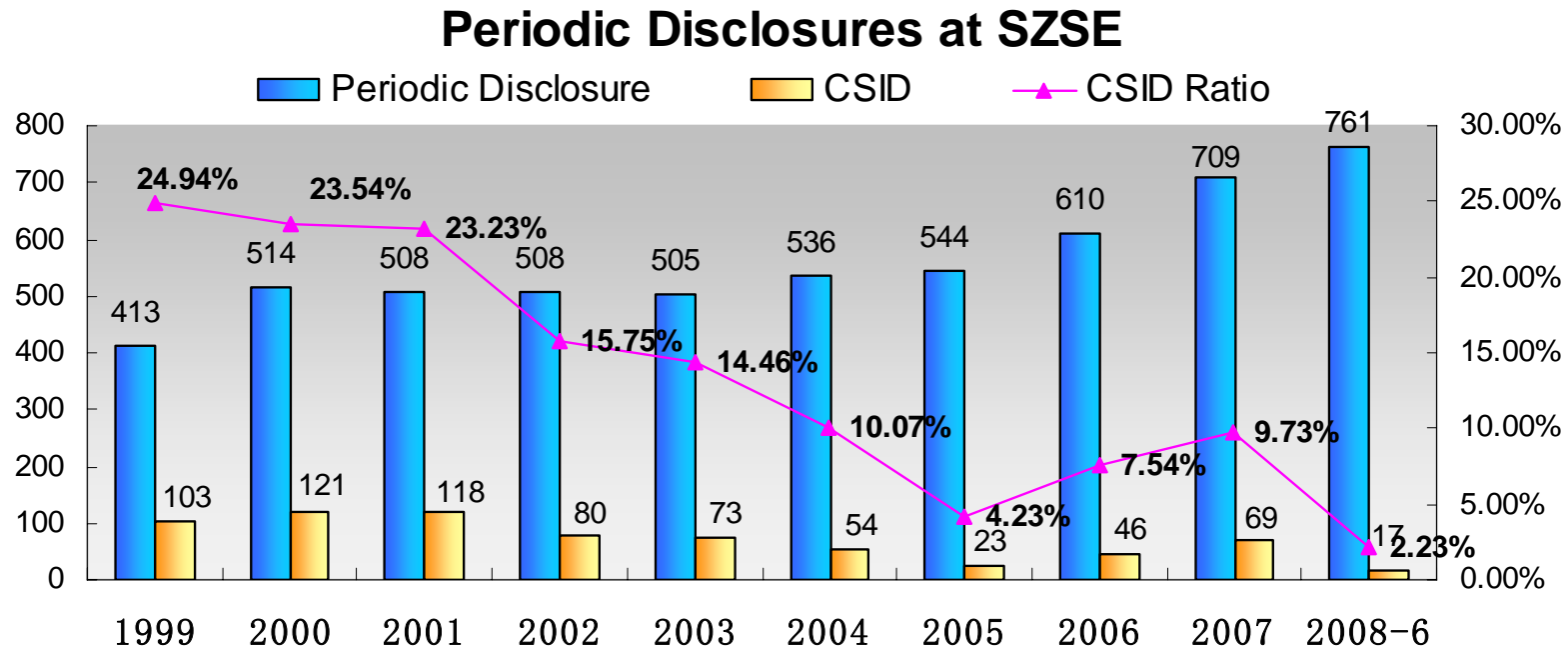
Data Dissemination

- faster
- better quality
- lower cost

3. Gains from XBRL: Faster, Better Quality (3)

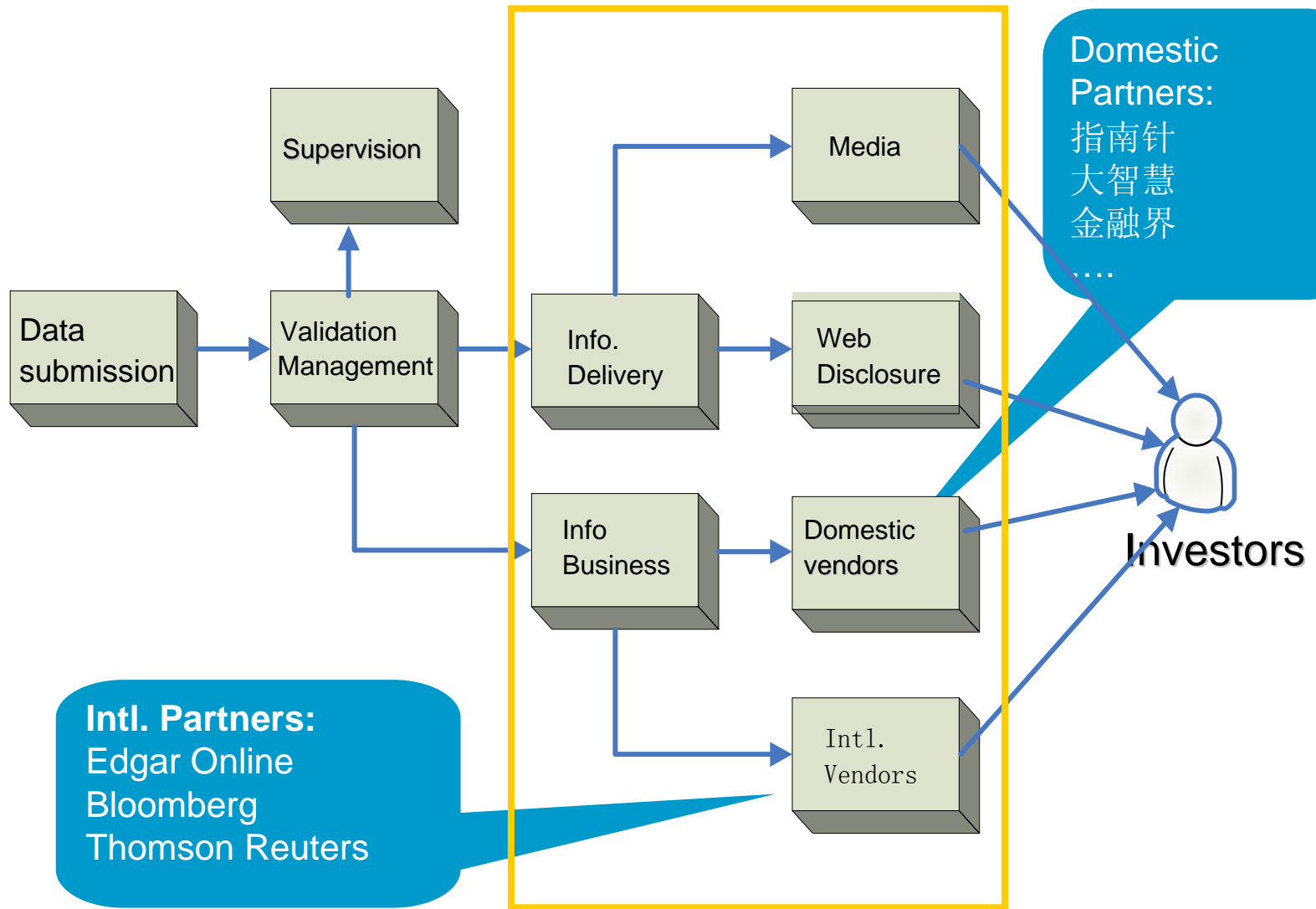
Periodic disclosure	Prior to filing software	XBRL-based filing software
Format	No standard format	Software-generated standard format
Data validation	No rule-based	All rule-based validation with integrity checking
Data elements (yearly)	100 thousand	620 thousand
XBRL instance files (yearly)	0	2600
Financial data error	7.8%	0.065%
Data timeliness	Web release day plus 1	Web release day (WRD)
Data maintenance staff	25	2

3. Gains from XBRL: Faster and Better quality (2)



CSID: Correctional and Supplemental Information Disclosure

3. Gains from XBRL: Enhancing Data Marketability

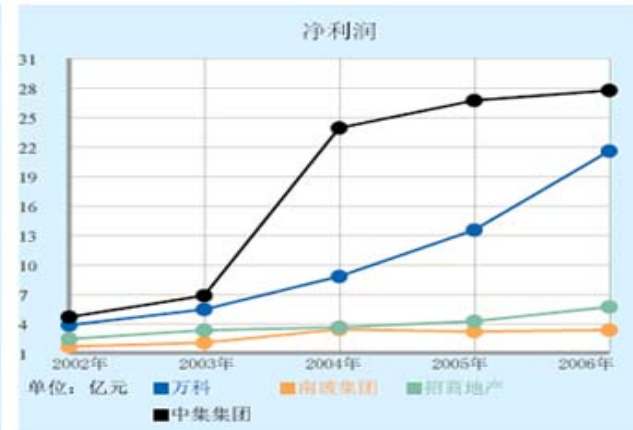


3. Gains from XBRL: Better Investor Services (1)

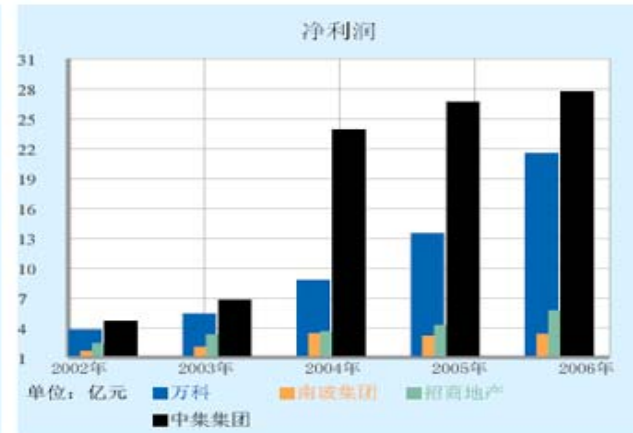
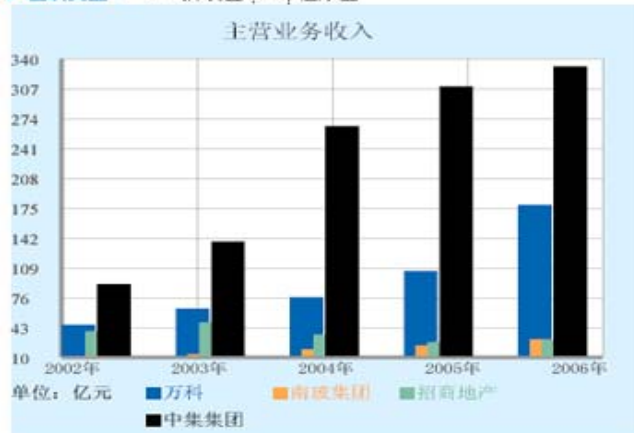
SZSE's XBRL-based analytical tools for investors

财务指标分析

图表类型: 折线图 柱形图



图表类型: 折线图 柱形图



3. Gains from XBRL: Better Investor Services (2)

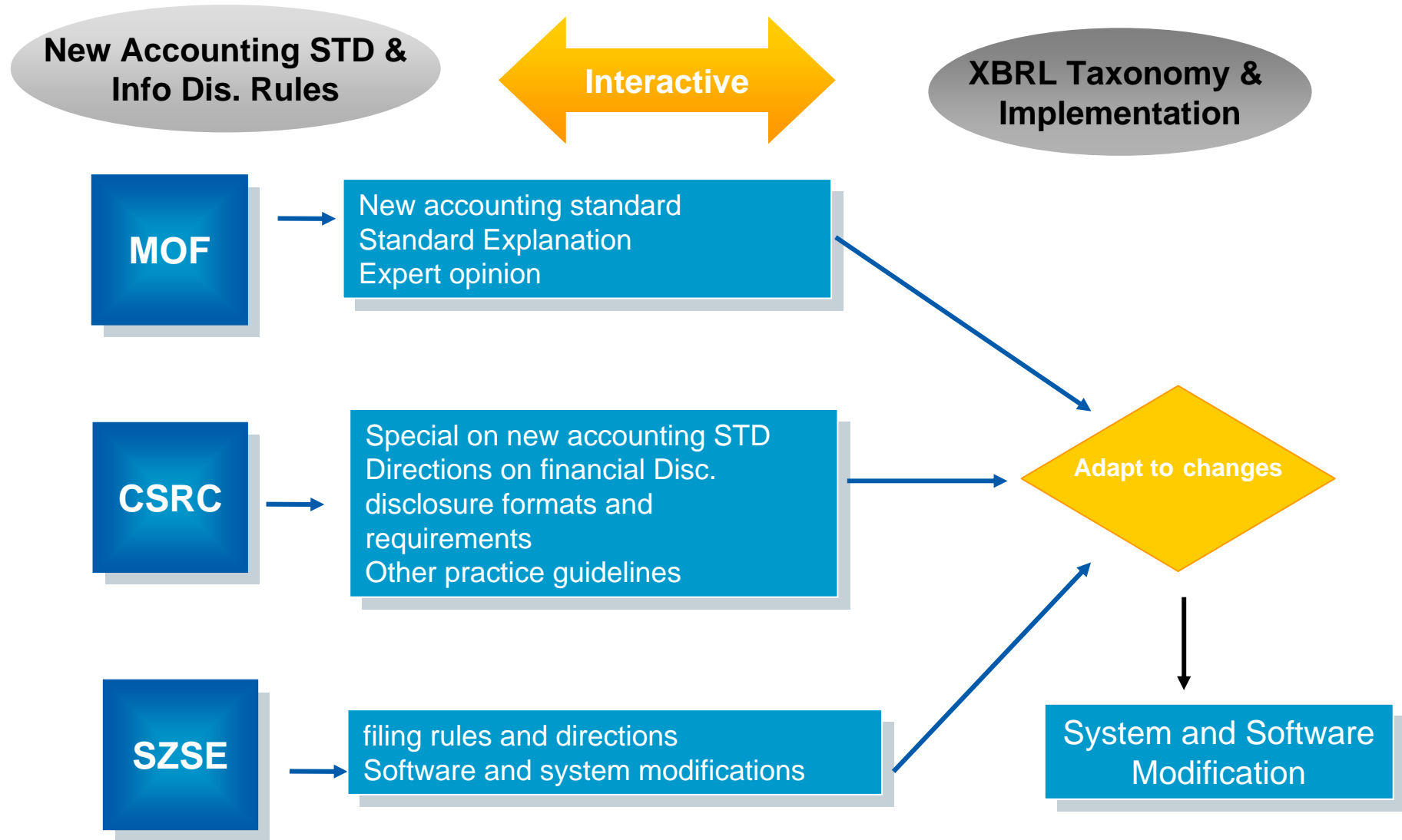
SZSE's XBRL-based tools for investors, showing non-financial info

The screenshot shows the SZSE website interface. A callout box highlights the following information:

- Floating-restricted shares
- Floating-restricted shares released from “freeze”

证券代码	证券简称	股东名称	解除限售日期	数量	占总股本比例	限售股数量	占总股本比例	限售股解除限售日期	限售股解除限售数量
000656	ST 东源	泛华工程有限公司	2008-09-01						
000952	广济药业	合肥市高科技风险投资有限公司	2008-08-03	3,188,300	1.27	0	0	0	0
000856	唐山陶瓷	唐山华美陶瓷有限公司	2008-09-02	2,303,700	1.01	0	0	12,766,879	5.62
002030	达安基因	汪发明	2008-09-02	1,481,457	1	0	0	1,927,533	0.96
000996	中国中期	哈尔滨嘉利科技发展有限公司	2008-08-28	3,481,112	1.51	0	0	39,839,388	17.32
000835	四川圣达	怡威发展有限公司	2008-08-22	3,098,516	1.32	0	0	16,488,694	7.01
000639	金德发展	上海立鹏有限公司	2008-08-21	1,100,333	1.51	1,100,333	1.51	0	0

3. Gains from XBRL: Improve supervision efficiency (1)



3. Gains from XBRL: Improve Supervision Efficiency (2)

Filing system

Function:

- Reporting templates
- Rule-based data integrity-checking
- Generating report files
- calculation and analysis tools

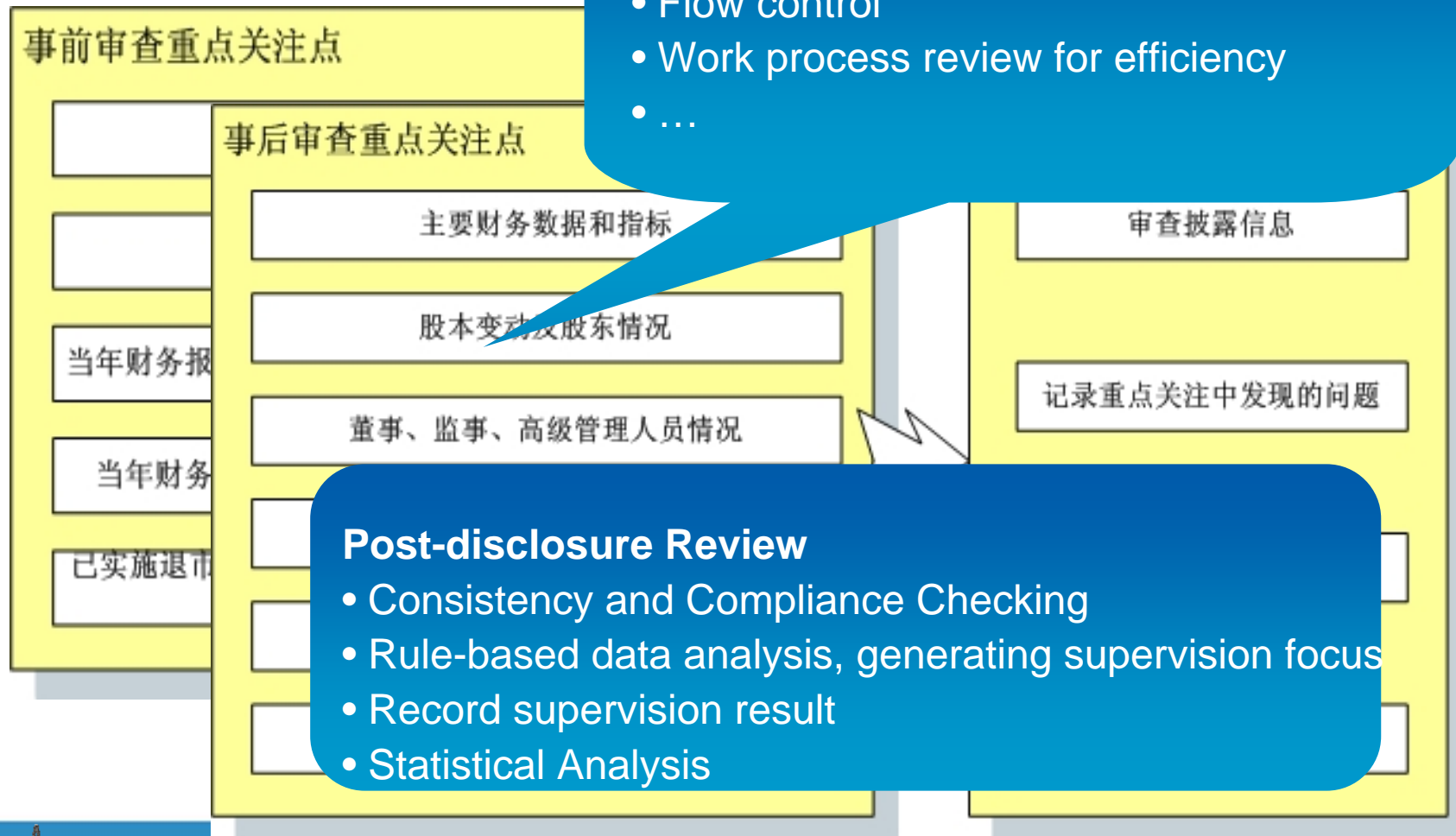
Benefits

- Enforce the consistency of business rule
- Standardize disclosure preparation
- Increase accuracy and completeness
- Enhance preparers' efficiency
- Generate consistent XBRL data

项目	期初数		
	母公司	合并	母公司
流动资产：			
货币资金	16,504,584.31	5,742,894,789.02	10,743,695,198.09
结算备付金			4,805,847,947.27
拆出资金			
交易性金融资产			2,304,725.76
应收票据			
应收账款			
预付款项			
应收保费			
应收分保账款			
应收分保合同准备金			
应收利息			
其他应收款			
买入返售金融资产			
存货			
一年内到期的非流动资产			
其他流动资产			
流动资产合计			
非流动资产：			
发放贷款及垫款			
可供出售金融资产	488,844,114.16	101,708,945.96	81,743,415.00
持有至到期投资			
长期应收款			

3. Gains from XBRL: Improve Supervision Efficiency (3)

Supervision Systems



Example: New Accounting Standard Implementation (1)

2007 New Accounting Standard in China

- Converging to IFRS
- Strengthened the international platform for listed companies' investing and financing activities
- Eliminated accounting discrepancies for dual listings in mainland and Hong Kong
- Helpful to companies' healthy and sustainable development
- Investors have more reliable and complete financials
- More standard auditor reports in 2007 than 2006.

Example: New Accounting Standard Implementation (2)

SZSE's XBRL work to ensure smooth transition:

Enforce the implementation of new standard

- XBRL-based filing software helped implementation
- New filing software enforced preparers to comply with the new standard
- Effectively applied rule-based validation to ensure integrity

Effective validation to ensure data integrity

- Pre-filing validation and Post-filing review
- Prompt data collection for supervision systems and MOF
- Real time statistical analysis to spot problems in real time

Timely and richer information

- Providing more timely and richer disclosure data to information vendors
- Direct information tools to investors

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Challenges – How to align objectives and strategies?

Mission Objective:

Complete, reliable, low cost and fast information to investors

Major Strategic Blocks:

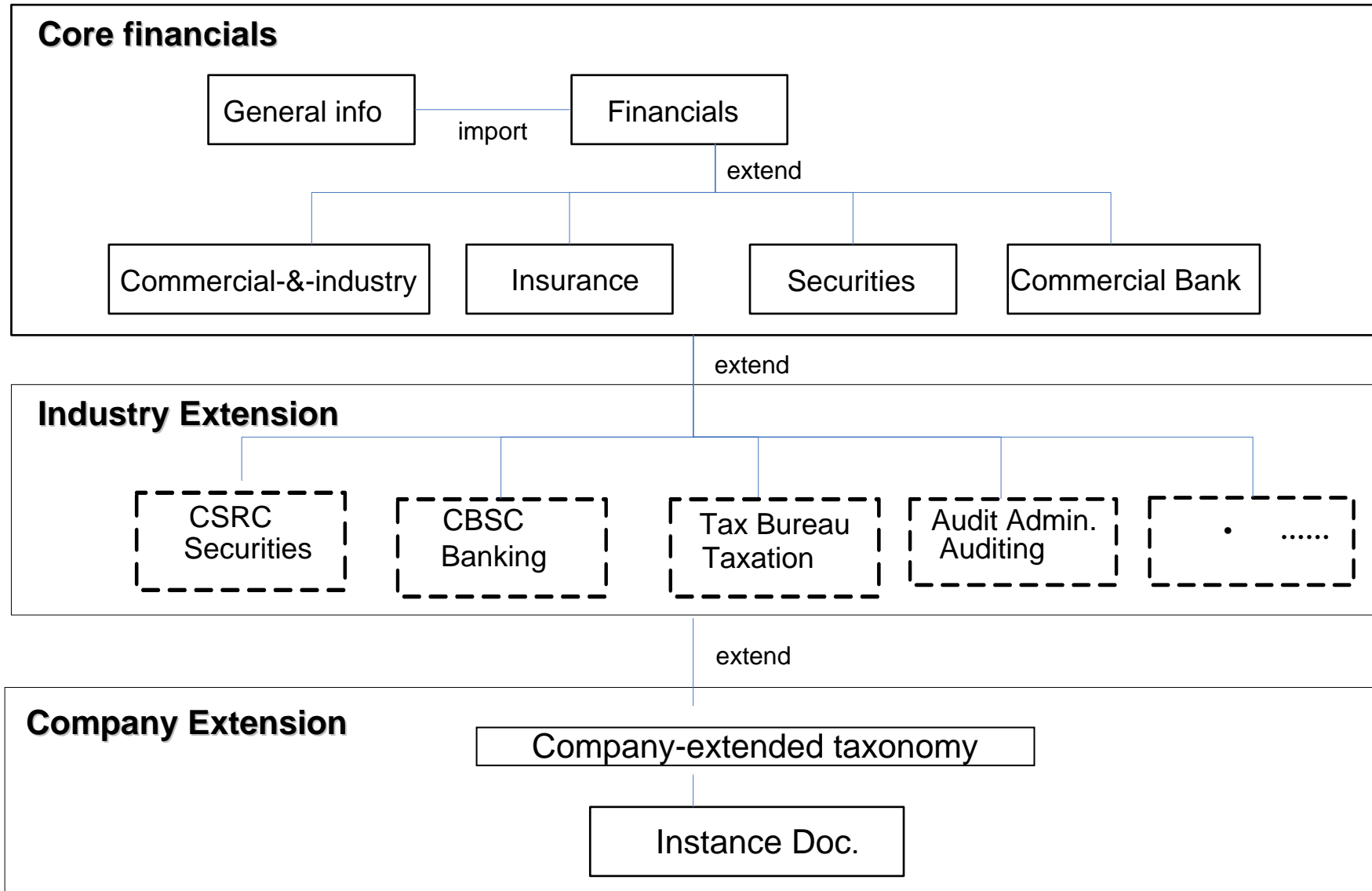
- **Standards**
 - Accounting standards, information disclosure requirement, taxonomy
- **Technology**
 - Preparers side technology
 - Frequent changes in business rules resulting in taxonomy changes
 - Taxonomy framework extensibility
- **Business models**
 - Cost-effective: making business sense
 - Participants are able to develop business models

Challenges — How to reach stakeholders' consensus?

Reaching Consensus:

- **XBRL China include:**
 - Ministry of Finance (MOF)
 - CSRC, CBRC, CIRC ,
 - Shenzhen, Shanghai Exchanges
 - Academic entities
 - Data vendors and accounting firms
- **Major tasks**
 - XBRL Standards (China)- MOF and CSRC lead the process
 - Shenzhen, Shanghai Exchanges' application

Ongoing process — Collaboration on Standards



Ongoing Process — at SZSE (1)

- **Improve Disclosure Quality**
 - Improve disclosure format requirements
 - Tabulate information in ad-hoc disclosure guidelines
 - Develop more sophisticated supervision systems
- **Provide more information**
 - Provide deeper and broader data to data vendors
 - Equip investors with better analytical tools
- **Development more alliance and partnership**
 - Accounting firms
 - Financial data vendors

Ongoing Process — at SZSE (2)

Business sector collaboration

- Help business sector to development business models
- Encourage business initiatives
- Technology-level cooperation
- Bring market participants into the process of forming standard / Taxonomy
- Create win-win market environment

Protecting investors' interests—The stage is as spacious as your mind.



Thank You !