

Performance Comparisons

	2004-2005	2003-2004	2002-2003	1994-1995
Market				
Hong Kong markets benefit from economic recovery				
MAIN BOARD				
Number of listed companies*	891 (+4%) [+68%]*	856 (+5%)	817	530
Market capitalisation (\$ billion)*	6,506.1 (+14%) [+215%]	5,690.5 (+68%)	3,377.6	2,067.9
Average daily market turnover (\$ billion)	15.5 (+14%) [+343%]	13.6 (+116%)	6.3	3.5
Funds raised through IPOs (\$ billion)	80.9 (+11%) [+518%]	72.6 (+52%)	47.7	13.1
Hang Seng Index (points)*	13,517 (+7%) [+57%]	12,682 (+47%)	8,634	8,588
GROWTH ENTERPRISE MARKET (Launched in 1999)				
Number of listed companies*	205 (+7%) [N/A]	192 (+14%)	168	N/A
Market capitalisation (\$ billion)*	65.3 (-17%) [N/A]	79.0 (+54%)	51.4	N/A
Average daily market turnover (\$ million)	66 (-65%) [N/A]	190 (+40%)	136	N/A
Funds raised through IPOs (\$ billion)	0.9 (-76%) [N/A]	3.8 (-32%)	5.6	N/A
S&P/HKEx GEM Index (points)*	936 (-24%) [N/A]	1,237 (+33%)	927	N/A
Finances and Staff				
Financial position improves with increased turnover				
Income (\$ million)	625.4 (+13%) [+154%]	551.1 (+63%)	338.4	245.8
Moderate increase in expenses despite new challenges				
Expenses including depreciation (\$ million)	456.3 (+7%) [+124%]	425.7 (+7%)	396.8	203.5
Staff turnover (%)	12 (+67%) [+3%]	7.2 (-18%)	8.8	11.6
Steady permanent establishment level				
Permanent established posts*				
– excluding dual filing	383 (+2%) [+62%]	374 (+4%)	361	237
– including dual filing ¹	406 (+4%) [N/A]	392 (+5%)	373	N/A
Strong mix of professionals				
Number of lawyers, accountants and CFAs*	182 (+5%) [N/A]	173 (+14%)	152	dna
Better staff skills				
Number of training programmes	320 (+39%) [N/A]	231 (-12%)	263	dna
Training man-day per employee	5.5 (+22%) [N/A]	4.5 (+12%)	4	dna
Corporate Finance				
More applications handled under the Companies Ordinance and the SFO				
Total number of CO applications	244 (+107%) [N/A]	118 (+188%)	41	dna
Total number of applications for exemption under section 309 of the SFO	529 (+15%) [+714%]	460 (+59%)	290 ²	65 ²
Total number of applications for authorisation under section 105 of the SFO	52 (+940%) [N/A]	5 (-50%)	10 ³	dna
Transactions handled under the Codes on Takeovers and Mergers and Share Repurchases				
Total number of transactions handled	251 (-36%) [+135%]	393 (+15%)	341	107
Total number of major transactions (general and partial offers, whitewashes, off-market and general offer repurchases)	62 (-32%) [+265%]	91 (+18%)	77	17
Other applications	189 (-37%) [+110%]	302 (+14%)	264	90
More new listing applications to SEHK				
Total number of listing applications to SEHK ¹	122 (+4%) [N/A]	117	N/A	N/A
Intermediaries and Investment Products				
More newcomers amid market recovery				
Applications for SFC licence	4,915 (+32%) [-39%]	3,732 (-18%)	4,555	7,996 ⁴
Applications to conduct new regulated activity	12,275 (+61%) [N/A]	7,634	N/A	N/A
Total number of SFC licences	22,726 (+11%) [+51%]	20,510 (-22%)	26,411	15,025
Focused inspections				
Routine inspections (cases)	142 (-17%) [-24%]	171 (+23%)	139	188
Special inspections (cases)	28 (-7%) [+833%]	30 (+88%)	16	3
Prudential meetings	62 (-18%) [N/A]	76 (-12%)	86	N/A
Breaches noted from completed inspections	740 (-9%) [+70%]	810 (+59%)	510	435
More authorised investment products				
Authorised collective investment schemes*	2,553 (+6%) [+129%]	2,414 (-2%)	2,457	1,115
Investment funds increase in value				
NAV of authorised unit trusts and mutual funds (US\$ billion) ⁵	551 (+3%) [+867%]	534 (+56%)	342	57

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Enforcement				
More successful prosecutions				
New investigations (cases) ⁶	501 (-59%) [+131%]	1,223 (+213%)	391	217
Successful prosecutions ⁷	76 (+27%) [+230%]	60 (+62%)	37	23
Unsuccessful prosecutions	6 (N/A) [N/A]	0 (-100%)	7	0
Disciplinary inquiries conducted	209 (+25%) [+771%]	167 (+2%)	163	24
Actions against licensees	88⁸ (+13%) [+340%]	78 (-7%)	84	20
Supervision of Markets				
Bigger compensation pool				
Total NAV of all compensation funds (\$ million)*	1,506 (+17%) [+235%]	1,286 (+28%)	1,001	449
NAV of Investor Compensation Fund (\$ million) ^{9*}	1,456 (+51%) [N/A]	962	N/A	N/A
NAV of Unified Exchange Compensation Fund (\$ million) ^{9*}	49 (-85%) [-88%]	324 (-63%)	872	416
NAV of Commodity Exchange Compensation Fund (\$ million)*	0.3 (0%) [-99%]	0.3 (-99%)	129	33
Reaching Out				
eIRC and corporate website revamped				
eIRC's average daily hit rate (hits)	47,896 (+52%) [N/A]	31,434 (+21%)	25,896	N/A
Corporate website's average daily hit rate (hits)	337,258 (-2%) [N/A]	345,739 (+30%)	266,590	N/A
Investor complaints ease off				
Enquiries	4,523 (-16%) [+281%]	5,382 (+35%)	3,982	1,188
Complaints	1,214 (-3%) [+372%]	1,252 (+31%)	959	257
Complaints referred to operational divisions	701 (-1%) [+1,013%]	708 (+23%)	576	63
Complaints leading to investigations	154 (-4%) [+1,183%]	161 (-1%)	163	12
Press releases issued	289 (+7%) [+398%]	270 (-10%)	299	58
Consultation and Guidelines				
Consultation papers issued	9 (+50%) [+200%]	6 (-70%)	20	3
Consultation conclusions issued	5 (-38%) [+400%]	8 (-78%)	37	1
Codes and guidelines issued	3 (-40%) [+200%]	5 (-86%)	36	1

* Figures as at financial year-end.

() denotes % change from the previous year. [] denotes % change from 1994-1995. "N/A" denotes Not Applicable. "dna" denotes Data Not Available.

1. The SFC began to review listing applications under the Dual Filing regime from 1 April 2003.

2. Applications under Securities (Disclosure of Interests) Ordinance.

3. Applications under section 4(2)(g) of the Protection of Investors Ordinance.

4. This included 2,568 applications for licence to conduct leveraged forex activities for the first time upon the commencement of the Leveraged Foreign Exchange Trading Ordinance on 1 September 1994.

5. Net Asset Value (NAV) as at 31 December 2004, 2003, 2002 and 1994.

6. The figure 1,223 in the year 2003-2004 was an aberration because of the introduction of the new disclosure of interests requirements. As the market appears to have adjusted to the new requirements, the total number of cases has reverted to approximately closer to previous level.

7. Prosecutions include cases of market manipulation, cold calling, FRR breaches, failing to assist SFC investigations, unlicensed activities, disclosure of interests breaches, illegal short selling and others.

8. The figure includes disciplinary actions and settlements with no statutory sanction imposed but alternative action agreed, e.g. payment of money to the Government.

9. NAV of ICF increased partly because of asset transfer from UECF.