



**SECURITIES AND FUTURES COMMISSION**  
證券及期貨事務監察委員會

**Report on the Securities and Futures Commission's  
2010 annual review of the Exchange's performance  
in its regulation of listing matters**

December 2010



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## Executive Summary

1. This report summarises the key findings and recommendations of the Securities and Futures Commission's 2010 annual review regarding the performance of The Stock Exchange of Hong Kong Limited (the "Exchange") in its regulation of listing matters during 2009.
2. This report records our assessment of the Exchange's performance for the year 2009.
3. We reviewed the Exchange's operational procedures and decision-making processes in each of the Listing Division's operational departments to assess whether they are adequate to enable the Exchange to meet its statutory obligation under section 21 of the Securities and Futures Ordinance (the "SFO"). The Exchange has a statutory obligation under section 21 to ensure, as far as reasonably practicable, an orderly, informed and fair market.
4. We are of the view that the operational procedures and decision-making processes reviewed were appropriate to enable the Exchange to discharge its statutory obligation under section 21 of the SFO during the period reviewed.
5. We are satisfied that the Exchange has taken steps to address the recommendations in our 2009 report. Since the period covered in our 2009 annual review, the Exchange has continued reviewing and refining its practices and procedures. In March 2010, the Exchange launched the revamped section containing rules and guidance on listing matters as part of the HKEx website revamp exercise (<http://www.hkex.com.hk/eng/index.htm>). The news alert service was also enhanced in that an email will be sent to subscribers whenever there is an update of the content related to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules")<sup>1</sup> and Guidance on Listing Matters.
6. This report is divided as follows:
  - (a) Section 1 explains the purpose and focus of our review, its scope and the review process;
  - (b) Section 2 sets out our assessment and recommendations in respect of our review of Exchange's operational procedures and decision-making processes in each of the Listing Division's operational departments to assess whether they are adequate to enable the Exchange to meet its statutory obligation under section 21 of the SFO; and
  - (c) Appendix A is a table summarising the results of a survey of the Listing Committee members and the market participants' view of the Exchange's performance.

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<sup>1</sup> References in this report to the "Listing Rules" refer to the Main Board Listing Rules and the GEM Listing Rules. For simplicity, references to a particular "Rule", "Rules", "Chapter" or "Chapters" refer to the Main Board Listing Rules only. The GEM Listing Rules contain broadly equivalent rules. As such, our observations and comments in this report apply equally to GEM.



## Section 1

### Purpose and focus of our review

7. This is our report on our 2010 review of the Exchange's performance in its regulation of listing matters during 2009.
8. We have a statutory duty under section 5(1)(b) of the SFO to supervise, monitor and regulate the activities carried on by the Exchange. As set out in the Memorandum of Understanding between the Exchange and ourselves dated 28 January 2003 ("Listing Matters MoU"), we have agreed with the Exchange that we should periodically review the Exchange's performance in its regulation of listing-related matters. Our periodic review does not cover the other activities carried on by the Exchange, such as market and product development.
9. In March 2004, the Government published its Consultation Conclusions on Proposals to Enhance the Regulation of Listing. Amongst other matters, the Government recommended that we prepare annual reports on our review of the Exchange's performance of its listing functions and submit these reports to the Financial Secretary. This is our sixth report following the Government's recommendation.
10. As a recognised exchange under the SFO, the Exchange has statutory obligations to:
  - (a) ensure an orderly, informed and fair market, so far as reasonably practicable, and
  - (b) act in the interest of the public, having particular regard to the interest of the investing public<sup>2</sup>.

The Exchange is also required under section 21(6)(b) of the SFO to provide and maintain competent personnel for the conduct of its business. It has also agreed in the Listing Matters MoU to maintain an adequate level of staff strength in the Listing Division with an adequate level of professionalism and experience to discharge the responsibilities of the Listing Division.

11. Except for matters specifically reserved by the Listing Committee, most matters concerning the Listing Rules are dealt with by the Listing Division in the first instance. Matters dealt with by the Listing Division include processing listing applications, monitoring and enforcing listed companies' compliance with the Listing Rules.
12. As with our previous review, we reviewed the Exchange's operational procedures and decision-making processes to assess whether they are adequate to enable the Exchange to meet its statutory obligations under section 21 of the SFO.
13. The Exchange's statutory obligation under the SFO is ongoing, and whether it has made necessary arrangements to comply with its obligation in the future cannot be judged merely by reference to its past compliance. Therefore we use the review process to assess whether the Exchange has taken adequate steps to meet its statutory obligation and identify issues that, in our view, should be addressed to ensure ongoing compliance.

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<sup>2</sup> Section 21 of the SFO



14. During the course of our review of the Exchange's performance, we may also make observations of the current issues and changes in the Exchange's operational procedures and decision-making processes. The review process is an on-going process and does not seek to review the Exchange's past performance without putting it into context the current economic environment and challenges.

## **Our approach**

15. Our review process focussed on the Listing Division's laid down procedures and processes as a whole, supplemented by reviews of sample cases in order to understand how the division's policies work in practice and to verify whether the division's practices follow its policies.
16. As part of the review process, we interviewed with each of the Heads of Departments, including the Head of Listing, to obtain understanding of their assessment of the effectiveness and efficiency of their respective department's decision-making processes and operational procedures. We also performed thematic review on the Listing Division's processes and procedures in respect of:
  - (a) new Growth Enterprise Market (GEM) listings and transfer of listings from GEM to the Main Board;
  - (b) applications for listings by introduction;
  - (c) monitoring of unusual price and volume movements; and
  - (d) dissemination of issuer information.

## **Scope of our review**

17. We focussed on reviewing the decision-making process and operational procedures in each of the operational departments in the Listing Division during our annual review of the Exchange's performance in its regulation of listing matters.
18. We did not review the quality of the Listing Division's decisions during the annual review process as this forms part of our regular oversight function of the Exchange under section 5(1)(b) of the SFO. We raise and discuss with the Exchange any particular matter which comes to our attention during the course of the year as and when such matter arises.
19. In 2010, we reviewed the operations of the following departments and teams under the Listing Division in the course of 2009:
  - (a) the Initial Public Offers Department (the "IPO Department") whose primary responsibility is to process new listing applications in respect of equity securities;
  - (b) the Compliance and Monitoring Department (the "C&M Department") which is responsible for monitoring listed companies' compliance with the Listing Rules;
  - (c) the Listing Enforcement Department (the "Enforcement Department") which investigates suspected breaches of the Listing Rules and institutes disciplinary action before the Listing Committee for such breaches by companies and their directors; and



- (d) the Primary Market Information Section (the “PMI Section”) of the Listing Operations Department<sup>3</sup> which is responsible for the dissemination of information concerning listing applicants/listed issuers and providing support for their regulatory filings.

## **How we conducted the assessment**

20. In conducting our assessment, we considered:

- (a) the relevant internal Exchange materials, written policies, procedures and processes documented by the relevant operational departments in the Listing Division and any general practices that have not been documented;
- (b) sample cases, including the relevant operational departments’ internal reports and case files;
- (c) information we receive from the Listing Division in the ordinary course of our dealings with the Division, including its monthly report to us, internal reports and case data;
- (d) the Hong Kong Exchanges and Clearing Limited 2009 annual report, the Exchange’s quarterly newsletter called the “Exchange”, and the 2009 Listing Committee Report;
- (e) the Exchange’s published disciplinary procedures, listing decisions, rejection letters, guidance letters, and other related documents on the HKEx website;
- (f) discussions with senior management of the relevant operational departments in the Listing Division;
- (g) comments made in interviews or discussions with the relevant case officers;
- (h) our continuing interaction with the Exchange under the Listing Matters MoU; and
- (i) a survey of market participants’ views to gauge the market’s perception of the Exchange’s performance in its listing-related functions, as mentioned below.

## **Gauging market perception of the Exchange’s performance**

21. As part of the review process, we conducted a survey of a number of market participants, including sponsors, legal advisers, accountants, investors and listed companies, and Listing Committee members, on a private and confidential basis. The purpose of the survey is to establish how they view the Exchange’s performance in its regulation of listing matters and to gauge changes in the market’s perception of the Exchange’s performance over a period of time.

## **The assessment process**

22. Our assessment of the Exchange’s performance and our views expressed in this report are a combination of our on-site work, our consultation with market participants and Listing Committee members and our continuing interaction with the Exchange under the Listing Matters MoU.

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<sup>3</sup> Other than dissemination of information, the Listing Operations Department is also responsible for processing listing applications for debt and structured products, such as derivative warrants and callable bull/bear contracts, which are not within the scope of this annual review.



23. We held an interview with the Head of the Listing Division and discussed our findings with him.
24. We sought the Exchange's comments on both the factual matters set out in this report and our conclusions.
25. The field work and review process were completed in June 2010. Where relevant, we have also made observations of the current issues and changes in the Exchange's operational procedures and decision-making processes in 2010.



## Section 2

### Overall assessment

26. We are of the view during 2009 the Exchange's operational procedures and decision-making processes in each of the Listing Division's operational departments as described in the "Scope of our review" section above, were appropriate during the review period to enable the Exchange to discharge its statutory obligation to ensure, so far as reasonably practicable, an orderly, informed and fair market.

### Market perception of the Exchange's performance

27. We sent a questionnaire on the Exchange's performance to 164 (2009: 157) Listing Committee members and market practitioners and received 45 (2009: 59) responses. The response rate is 27.4% (2009: 37.6%).
28. The respondents were asked to rate the performance of the Exchange and each of the operating departments in the Listing Division in various key areas on a scale of 1 to 5 with "5" being wholly satisfied. Please refer to Appendix A for detailed summary of the result of the survey.
29. Overall, there is no significant change in the respondents' view of the Exchange's performance. The average overall score for 2010 is 3.7 compared with 3.6 in 2009. The respondents are generally satisfied with the efficiency and fairness of the Exchange in its vetting process.
30. A few respondents commended the Exchange's effort in giving the market more guidance in relation to the interpretation and application of the Listing Rules, and in speeding up the review process for listing applications. These respondents suggested the Exchange to link up the guidance materials to the relevant Listing Rules and to provide an on-line version of the whole set of Listing Rules on the HKEx website to facilitate full-text-search of the Listing Rules. We note the Exchange posted the consolidated version of the Listing Rules on the HKEx website on 12 August 2010.
31. In May 2010, the Exchange published guidance in relation to new Listing Rules for mineral companies and amendments to the connected transaction rules, and requirements for circulars and listing documents of listed issuers.
32. A few respondents suggested the Exchange to further improve the transparency of its decision-making by providing principles behind its decisions, and to disclose on its website an organisation chart of each major department and the level of authority of each grade of staff.

### Observations on the Listing Division's performance

33. The Listing Division assesses its efficiency or the timeliness of its actions primarily by measuring its turnaround time. Each department has instituted performance pledges as to when they will complete a particular task to improve and ensure efficiency:
  - (a) The IPO Department has strived to continually improve its performance. To speed up the vetting process and to improve transparency, in March 2009, the department published a list of standard comments on the HKEx website to facilitate the preparation of prospectus by listing applicants. The department sought to update the





content of standard comments on a regular basis to reflect current practices and requirements. In November 2009, the Exchange implemented the rules changes that streamline the filing and checklist requirements for initial public offerings of equity securities. The department vetted 150 listing applications in 2009, a decrease of 29 listing applications from 2008. In 2009, 87.8% (2008: 73.5%) of all applications that were brought to the Listing Committee have been reviewed by Listing Committees (or their delegates) within 120 calendar days;

- (b) The C&M Department continued its shift in regulatory focus from pre-vetting and clearance of announcements to post-vetting and monitoring. As a result, post-vetted announcements increased from 16,518 in 2008 to 25,999 in 2009. The department made enquiries in 5.4% of all post-vetted announcements, of which 21.3% resulted in follow-up actions taken by listed companies, mainly by publishing clarification announcements. In terms of timeliness of the department's actions, in 2009, the department made initial response within one business day for 92% of the cases. Initial response for 90% of the pre-vetted announcements was made within the same day of receipt of the draft announcement by the department;
- (c) In order to further improve efficiency of investigations, the Enforcement Department made certain changes to its internal decision-making structure with an aim to identify serious misconduct and breaches of the Listing Rules earlier. As at 31 December 2009, there were 55 active cases of which 28 and 22 cases started work in 2008 and 2009 respectively.

### Level of activities

34. The following table indicates the level of activity in the four operational departments of the Listing Division in 2007, 2008 and 2009<sup>4</sup>.

	2007	2008	2009
Number of listing applications accepted by the IPO Department	125	137	123
Number of compliance and monitoring actions handled by the C&M Department <sup>5</sup>	33,163	33,124	38,341
Number of investigations handled by the Enforcement Department	167	171	147
Number of listing applications processed by the Listing Operations Department	7,426	9,312	12,555
- derivative warrants	7,025	5,031	4,434
- Callable Bull/Bear Contracts (more commonly known as CBBCs)	401	4,281	8,121

<sup>4</sup> Source: HKEx 2009 Annual Report, pages 37-45

<sup>5</sup> Compliance and monitoring actions include announcements and circulars vetted, share price and trading volume monitoring actions undertaken, press enquiries raised and complaints handled.



35. The number of listing applications accepted by the IPO Department decreased by 10.2% from 2008 to 2009. The average time between receipt of application and issuance of first comment letter in 2009 was 20 calendar days (2008: 19 calendar days). As we discussed earlier, 87.8% (2008: 73.5%) of all applications that were brought to the Listing Committee have been reviewed by Listing Committees (or their delegates) within 120 calendar days.
36. In the course of 2009, the C&M Department saw a 15.7% increase in the number of compliance and monitoring actions. The increase was mainly attributable to the increase in vetted announcements which resulted from a change of approach by the department in post-vetting announcements. In 2009, a high-level review of all announcements and notices was conducted before commencement of each trading session, a more detailed review of announcements related to more significant transactions or that posed a high risk to rule compliance was performed.
37. The number of investigations handled by the Enforcement Department decreased by 14.0% from 171 in 2008 to 147 in 2009. This decrease is primarily the result of reduction in back-log of cases and implementation of more efficient procedures. The department completed 9 disciplinary cases, issued 28 warning and caution letters and closed a further 41 cases by way of “no further action”.

	Warning/Caution letters issued	Cases closed by way of “no further action”	Disciplinary cases	Total
2007	63	34	16	113
2008	68	41	15	124
2009	28	41	9	78

38. The Debts and Derivatives Team saw an increase of 34.8% from 9,312 in 2008 to 12,555 in 2009 in the total number of derivative warrants and CBBCs listing applications processed. Interestingly, the number of CBBCs listing applications increased by 89.7% (from 4,281 in 2008 to 8,121 in 2009), whilst the number of derivative warrants listing applications decreased by 11.9% (from 5,031 in 2008 to 4,434 in 2009).

### **Maintaining an orderly market for listings by way of introduction**

39. A listing by introduction is one of the ways to list a company on the Exchange. An introduction is an application for listing of securities already in issue where no marketing arrangements are required because the securities for which listing is sought are already of such an amount and so widely held that their adequate marketability when listed can be assumed<sup>6</sup>.
40. There were four listings by way of introduction in the period under review. Three of them were listed on an overseas exchange before listed on the Exchange, whilst the remaining one was a spin off from a Hong Kong listed parent by way of introduction.

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<sup>6</sup> Listing Rule 7.13



41. For an introduction of a company already listed on an overseas exchange, there is generally no direct trading or settlement between the overseas market and the Exchange. Shares must be transferred from the overseas share register to the Hong Kong share register before they can be traded on the Exchange. Only share certificates issued by a Hong Kong share registrar will be valid for delivery in respect of dealings effected on the Exchange. Temporary supply and demand imbalances may occur in the trading of shares because it is not unusual to have longer settlement period when moving shares between the Hong Kong and the overseas register.
42. The processes and procedures adopted by the Exchange for vetting and approving a new listing by introduction are the same as new listings by other methods where fund raisings are involved. The Listing Division of the Exchange vets and comments on all materials relating to a listing application and administers the listing process under the Listing Rules. When the Listing Division is satisfied that the applicant complies with all applicable new listing requirements, it recommends that the Listing Committee of the Exchange approves the new listing application. The power to approve a listing application rests with the Listing Committee.
43. In vetting a listing-by-introduction application, the Exchange would pay particular attention to the compliance by the applicant of the Listing Rules requirements that:
  - (a) at the time of listing there must be an adequate spread of holders of securities to be listed and there must be a minimum of 300 shareholders; and
  - (b) there must be an open market in the securities for which listing is sought.
44. Following a couple of incidents where there was unusual volatility in the first few days of trading of shares of companies which were listed by way of introduction, the Exchange, during its vetting process, has put increased emphasis on the adequacy of a listing applicant's proposed precautionary measures to facilitate that there would be a reasonable supply of securities and information to investors to mitigate possible price volatility upon the listing of the company's securities on the Exchange.
45. In the course of vetting these applications, the Exchange, together with the staff of the SFC, met and discussed with listing applicants and their sponsors on their proposed precautionary measures to ensure there is an open market in the company's securities from the first day of listing on the Exchange. The Exchange also quizzed and commented on the listing applicant's/sponsor's proposals on these precautionary measures.
46. Following the unusual volatility in the trading of shares of a company immediately after listing, in December 2009, the Exchange published a news release to inform the market of its new arrangements in handling companies listed by way of introduction.
  - (a) The Exchange would require companies listing by way of introduction to issue an announcement to provide intermediaries and investors with the last closing price of their shares on any other markets on or before the first day of trading on the Exchange;
  - (b) The Exchange discontinued its practice of displaying on the screen of its securities trading system the latest reported audited net tangible asset value per share on the shares' first trading day;



(c) The Exchange would encourage companies listing by way of introduction to adopt adequate precautionary measures, which are acceptable to the Exchange, to ensure that their shares are traded on an orderly, informed and fair basis.

47. In March and May 2010, the Exchange further published two news releases to inform the market of the precautionary measures adopted by two listing-by-introduction applicants to ensure that their shares are traded on an orderly, informed and fair basis. Both the Exchange and the SFC have been consulted in developing these precautionary measures.
48. The Exchange continues to work with the SFC and market participants in developing new measures which would help ensuring an open market for securities trading on the Exchange. We recommend that the Exchange continues its effort in developing appropriate precautionary measures and keeps in view developments in this area.

### **Dissemination of issuer information**

49. The PMI Section of the Listing Operations Department is responsible for managing and enhancing the operations supporting issuer public disclosure filings, and updating and maintaining the corporate action and listed company information database.
50. The HKExnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) is the primary channel for the dissemination of issuer information. The third generation of the Automatic Order Matching and Execution System (AMS/3) is the Exchange's securities market trading system. While AMS/3 is primarily a trading system, it also carries certain issuer information.
51. All listed companies and listing applicants are required to submit their information for publication electronically through the Exchange's Electronic Submission System ("ESS"). Submissions via ESS are transmitted electronically and automatically to the Exchange's Electronic Publication System and released on the HKExnews website for publication.
52. The PMI Section captures the information announced by Main Board and GEM listed issuers relating to share buyback, date of board meeting and dividends and other entitlements, and update this information daily on the HKExnews and GEM websites. The system would generate summaries of announcements concerning high concentration of shareholdings, delay in releasing results announcements, changes in auditors or company secretaries, modified/qualified audit opinions and profit warnings, and publish these summaries on the HKExnews website .
53. For trading arrangement activities announced by listed issuers or as noted in trading arrangement notification forms received from other teams, which include new listing of securities, group reorganisation, share consolidation, share subdivision, change of board lot, privatisation, withdrawal of listing, change of stock short name, etc, the PMI section will summarise the information in trading arrangement table and post them on the HKEx website (<http://www.hkex.com.hk>) or the GEM website ([www.hkgem.com](http://www.hkgem.com)) as appropriate.
54. For certain selected information such as board meeting date, dividend rate, book close date, entitlement ratio, offer price (for IPO), etc, the PMI Section will update the information in the freetext area of the relevant AMS/3 stock page for market's reference. The PMI Section is also responsible for the computation of the theoretical ex-prices for display on the AMS/3 on the ex-date or effective date as a general reference by the market.



55. For companies listed by way of introduction, it was a past practice of the Exchange to display on the trading screen of AMS/3 on the first trading day the latest reported audited net tangible asset value per share taken from its listing document, after confirmation with the sponsor. In response to market concerns that the net asset information displayed on the trading screen for the shares of an issuer is just one piece of information extracted from the large amount of information about a company disclosed in a listing document that cannot provide a full picture of the information which is relevant to investors, the Exchange discontinued this practice from 7 December 2009.
56. We note that the trading arrangement table and other summaries of issuer information released on the Exchange's websites by the PMI Section are manually captured, identified and compiled. For instance, the trading arrangement notification forms are sent to the PMI Section by fax for its processing. The staff of the PMI Section manually extract data, retype information, proofread the retyped inputs and upload them to the system generating the trading arrangement table posted on the HKEx/GEM website. Likewise, the staff of the PMI Section need to go through similar manual procedures to update the share buyback, board meeting date and entitlement information posted on the HKExnews website and displayed on AMS/3. The process is labour intensive and time-consuming, and may lead to clerical errors and delay in despatch of information.
57. We recommend that the Exchange reviews and assesses the usefulness of the information that is manually compiled by the PMI Section to the market, and consider if the process can be automated, e.g. by enhancing the system to allow issuer to publish the information directly via ESS, and to implement e-workflows to handle the trading arrangement notification forms. A straight-through electronic platform can improve efficiency, reduce operation risk, ensure data accuracy and be more environmental friendly.
58. Regarding the administration and operational support of the GEM website, we note that though the design of the HKEx website and the GEM website is different, the HKEx website covers most of the information published on the GEM website, and the GEM index posted on the GEM website has a delay while that on the HKEx website is real time. To maintain a clear distinction between GEM companies and Main Board companies, we recommend that information on GEM companies should generally be confined to the GEM website and that the GEM website is revamped to ensure that there is no time lag between information being available on the HKEx website and the GEM website. If for technical reasons there has to be a time difference the GEM website should be updated first.

## **Transparency**

59. We are of the view that the Exchange has continuously made significant efforts over the past six years to improve the transparency of its work. We commented in the last year's report that the benefits of greater transparency could be enhanced if various guidance materials were organised in a more systematic and user-friendly manner to facilitate easier search and access to all relevant material. We recommended that the Exchange reviews how to make the information it discloses about its practices, procedures and decisions more readily accessible to both experienced market professionals and less frequent users of its many disclosures.
60. We note the section containing rules and guidance on listing matters was revamped as part of the HKEx exercise to revamp its corporate website that was launched in March 2010. Information about the Exchange's regulation of listing matters has been re-grouped into two categories – "Listing Matters" and "Rules and Regulations". Also, quick links for investors, issuers and listed companies are shown on the HKEx home page.



61. In response to our comment that guidance about price sensitive information was posted in various sections of the HKEx website, the Exchange has placed the guidance materials for price sensitive information which were issued as ‘letters to issuers’, ‘news releases’ and ‘guidelines’ in one place and it is grouped under the section on ‘Rules and regulations’ and can be accessed via this path: ‘Rules and regulations – Rules and guidance on listing matters - Guidance materials – listed issuers’ general disclosure obligation’. This is an improvement from the current presentation.
62. As suggested by a few respondents to our survey, the Exchange should present its guidance materials in a more user-friendly manner, such as, to link up the Listing Rules to the guidance materials and to provide an on-line version of the whole set of Listing Rules on the HKEx website which would allow searches be conducted on the full text of the Listing Rules. We note the Exchange posted the consolidated version of the Listing Rules on the HKEx website on 12 August 2010.

### **Recommendations**

63. We recommend that the Exchange continues its effort in developing appropriate precautionary measures which would help ensuring an open market for securities trading on the Exchange and keeps in view developments in this area.
64. We recommend that the Exchange reviews how it can further improve the manner in which the information it discloses about its practices, procedures and decisions can be more readily accessible to both experienced market professionals and less frequent users of its many disclosures.



## Appendix A

The table below sets out the weighted average scores given by the survey respondents. The respondents were asked to rate the Exchange's performance in various key areas on a scale of 1 to 5 with "5" being wholly satisfied and "1" being wholly dissatisfied.

		2006	2007	2008	2009	2010
<b>Views on the Exchange's performance in its regulation of listing related matters</b>						
1.	Communications to the market of the Exchange's policies and practices under the Listing Rules	3.0	3.4	3.8	3.7	4.0
2.	Timely response to the market developments	3.1	3.3	3.4	3.5	3.7
3.	Acting in the interests of the investing public	3.6	3.9	4.0	3.8	3.9
4.	Provision of a fair, orderly and efficient market for the trading of the securities	4.0	3.9	4.0	3.9	3.9
5.	Ensuring that investors are kept fully informed of price sensitive information by listed companies on a timely basis	3.9	3.9	4.0	3.8	3.8
6.	Equal and fair treatment of all holders of listed companies	3.7	3.6	3.7	3.7	3.8
7.	Quality of companies listed	3.5	3.9	3.8	3.6	3.7
<b>Views on the Listing Division's performance</b>						
8.	Consistency in decision-making	3.5	3.5	3.7	3.6	3.7
9.	Impartiality	3.9	3.8	3.8	3.8	3.9
10.	Timeliness of responses	3.3	3.6	3.6	3.6	3.8
11.	Pertinence of enquiries and comments raised during the vetting process or investigation process	3.3	3.5	3.6	3.5	3.6
12.	Experience and knowledge of the Listing Rules as regards its understanding of the policy issues behind the Listing Rules	3.6	3.9	3.9	4.0	4.0
13.	Experience and knowledge of the Listing Rules as regards its understanding of the requirements of the relevant provisions in the Listing Rules	3.9	3.9	4.0	4.1	4.1



		2006	2007	2008	2009	2010
<b>Views on the various aspects of the IPO and C&amp;M Departments' work</b>						
14.	Handling general enquiries	3.3	3.6	3.7	3.6	3.9
15.	Handling requests for guidance on the application of a particular Listing Rule	3.1	3.5	3.5	3.6	3.8
16.	Processing applications for waivers	3.4	3.6	3.8	3.7	3.7
17.	Processing listing applications	3.5	3.6	3.8	3.7	3.9
18.	Clearing draft announcements, circulars and other corporate information	3.4	3.7	3.7	3.7	3.9
19.	Handling complaints	3.2	3.5	3.6	3.5	3.6
20.	Handling short term suspension	3.2	3.4	3.6	3.7	3.8
21.	Handling long term suspension	3.2	3.3	3.2	3.6	3.4
<b>Views on the quality of disclosure documents vetted by the Exchange</b>						
22.	Clarity of prospectuses, announcements, circulars and other corporate information	3.4	3.6	3.9	3.6	3.6
23.	The relevant documents provide sufficient information to enable investors and shareholders (where relevant) to make properly informed assessment of the relevant issuer	3.6	3.7	3.9	3.7	3.7
24.	The relevant documents are easy to understand	3.1	3.2	3.5	3.5	3.4
25.	Timely issue of announcements and circulars	3.6	3.7	3.8	3.8	3.9
<b>Views on the Exchange's performance in monitoring compliance with and enforcement of the Listing Rules</b>						
26.	Monitoring compliance with the Listing Rules by listed companies and directors	3.5	3.6	3.7	3.6	3.7
27.	Timeliness of disciplinary action taken against listed companies and directors	2.5	2.9	3.0	3.0	3.2
28.	Transparency of policy on disciplinary actions	2.8	3.1	3.3	3.3	3.4





		2006	2007	2008	2009	2010
<b>Views on the Exchange's policies and practices under the Listing Rules</b>						
29.	The Exchange's short term suspension policy is appropriate	3.5	3.7	3.7	3.6	3.6
30.	The Exchange's long term suspension policy is appropriate	3.2	3.5	3.7	3.3	3.5
31.	The Listing Division's policy of reduction in pre-vetting of listed companies' announcements, circulars and listing documents.	3.1	3.4	3.9	3.6	3.9
<b>Overall average scores</b>		3.4	3.6	3.7	3.6	3.7