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**From:** John E Strickland  
**Sent:** Thursday, March 9, 2006 12:32  
**To:** GEMdiscussionpaper  
**Cc:** Paul Chow  
**Subject:** GEM Discussion Paper

Dear Sirs

Having read the Discussion Paper, my opinion of the best way forward is to

- merge GEM companies into the Main Board
- set up a new alternative market modelled on the London Stock Exchange AIM.

The reasons for this opinion are

- The costs of professional advisers and the IPO prospectus are out of proportion to the scale of companies that should be encouraged on a market aimed at startups
- The regulations imposed by the listing rules are too onerous for startup companies
- With a markedly different regulatory structure for the new market, it would be much more self evident that it would be strictly "buyer beware".
- There appears to be no material difference in quality between the companies listed on GEM and the weaker companies on the Main Board. The rules for and the regulation of the two markets are very similar.

Regards

John Strickland  
Director, HK Exchanges & Clearing