

**IS THE GEM A SUCCESS AS AN EQUITY MARKET ?  
IS THE INVESTING PUBLIC, REALLY  
PROTECTED FROM LEGAL CROOKS ?**

To be sure, The **G**rowth **E**nterprise **M**arket (The GEM) of The Stock Exchange of Hongkong Ltd has attracted more trash listings than quality listings since it was founded in November 1999 – and [M Channel Corporation Ltd](#) is but one classic example.

One has to have some empathy, coupled, perhaps, with a little bit of sympathy, for the powers-that-be at The Stock Exchange of Hongkong Ltd because, if a proposed candidate for a listing on The GEM meets all of the criteria, as laid down in The Listing Rules, then that corporate candidate gets the green light and its shares are permitted to be traded on this exchange.

Subjective considerations do not play much of a role in the decision-making process of the members of The Listing Committee.

Mores the pity of it!

According to the statistics of The GEM, between 2001 and 2005, a total of 172 companies were listed on this equity market, which welcomes, according to a spokesperson of The Stock Exchange of Hongkong Ltd, *'all industries of all sizes, including those which do not have profit records ...'*.

Of those 172 companies, 25 of their number have been delisted.

That means that, for the 60 months, ended December 31, 2005, nearly 15 percent of all GEM companies were struck off the register of this stock market.

Between January 2006 and April 28, 2006, a total of 28 more companies were admitted to the ranks of The GEM.

Delisting procedures and suspensions have been executed on 5 GEM companies, up to April 28, 2006.

Also, up until April 28, 2006, a total of 30 GEM companies were suspended for 10 business days or more.

Some people claim that The GEM is a bit of a failure.

You be the judge.

**The Clock Is Ticking For M Channel Corporation Ltd**

With just 47 days to go, it looks very much as though M Channel Corporation Ltd () (Code: 8036, The GEM) will be the fourth company to be delisted from The GEM, this year.

This company will, also, have the distinction of being the thirtieth GEM company to have been struck off the register of The Stock Exchange of Hongkong Ltd in the past 5 years.

M Channel Corporation is, today, obviously on the balls of its arse; and, it appears even to be unable to settle its tax bill with The Commissioner of Inland Revenue of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) – in the amount of only \$HK54,833!

Trading ... [CLICK TO ORDER FULL ARTICLE](#)

*While **TARGET** makes every attempt to ensure accuracy of all data published, **TARGET** cannot be held responsible for any errors and/or omissions.*

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com). **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*