

Submitted via Qualtrics

**Anonymous
Company / Organisation
Corporate Finance Firm / Bank**

Question 1

Do you agree with the proposed definitions of “Specialist Technology Company”, “Specialist Technology Products” and “Specialist Technology”?

Yes

Please give reasons for your views. If your answer is “No”, please provide alternative suggestions.

Question 2

Do you agree with the list of Specialist Technology Industries and the respective acceptable sectors set out in paragraph 4 of the Draft Guidance Letter (Appendix V to the Consultation Paper)?

Yes

Please give reasons for your views. If your answer is “No”, please provide alternative suggestions.

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We largely agree with the list of Specialist Technology Industries and the respective acceptable sectors set out in paragraph 4 of the Draft Guidance Letter, and understand that the list of acceptable sectors is non-exhaustive as it may be updated from time to time as necessary.

We would like to confirm that the following verticals/subsegments are already covered under respective industry:

1. Next-generation information technology:

a) Data analytics

b) Big data technology

Given latest technological trends, we would like to suggest that the following vertical/subsegment to be covered under respective industry:

1. Next-generation information technology:

a) Fintech and block chain technology

Given that many of the sectors under the “advanced hardware industry” also cover corresponding software technology, we would like to suggest amending the name of the industry to “advanced hardware and software” instead.

We would also like to suggest that the HKEx retains the discretion and flexibility to allow potential listing applicants that may not strictly fall within the current scope of acceptable sectors to be assessed and considered via pre-A1 consultation.

Question 3

Do you agree that the Exchange should take into account the factors set out in paragraph 107 of the Consultation Paper to determine whether a company is “primarily engaged” in the relevant business as referred to in the definition of “Specialist Technology Company”?

Yes

Please give reasons for your views.

Question 4

Do you agree that the Exchange should retain the discretion to reject an application for listing from an applicant within an acceptable sector if it displays attributes inconsistent with the principles referred to in paragraph 101 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 5

Do you agree that the Specialist Technology Regime should accommodate the listings of both Commercial Companies and Pre-Commercial Companies?

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Yes

Please give reasons for your views.

Question 6

Do you agree with the proposed approach to apply more stringent requirements to Pre-Commercial Companies?

Yes

Please give reasons for your views.

Question 7

Do you agree with the proposal that all investors, including retail investors, should be allowed to subscribe for, and trade in, the securities of Pre-Commercial Companies?

Yes

Please give reasons for your views.

Question 8

Do you agree that a Commercial Company applicant must have a minimum expected market capitalisation of HK\$8 billion?

No

Please give reasons for your views.

The continuing macro-economic challenges, e.g., interest rate increase, inflation and geopolitical conflicts, have caused global stock market indices to drop significantly in the past two years (S&P 500 Index, NASDAQ Composite Index, the Hang Seng Index, and S&P China Tech 50 Index have dropped 18.0%, 30.8%, 19.2%, and 28.4% respectively YTD and 8.9%, 24.5%, 33.5%, and 46.8% since 2H2021). These challenges have resulted in broad drop in valuation, particularly for companies in technology sector which include a lot of the verticals that are captured under the proposed Chapter 18C. In light of this, we would suggest to lower the expected market capitalization threshold for Commercial Companies.

We have screened a list of companies that have been listed in the US since 2018 and fall broadly under the acceptable sectors in the Draft Guidance Letter. Among these companies, seven companies were able to meet the minimum revenue requirement of Commercial

Companies of HK\$250 million but fall short of the HK\$500 million under LR8.05 (2), (3) in fiscal year 2020 or 2021, and their market capitalization has decreased significantly over the past twelve months, from 25% to 86%. Market capitalization for most of these companies has also dropped significantly compared with that at IPO, from 30% to 91%. These observations indicate that it is not easy for companies with HK\$250-500 million in revenue to meet the proposed market capitalization threshold of HK\$8 billion, even under much better market conditions.

These seven companies are:

- Backblaze Inc. (listed on 11 November 2021; market capitalization of US\$457 million and US\$146 million at IPO and as of 7 December 2022, respectively, a decrease of 68%; market capitalization decreased by 79% in the last twelve months)
- Rivian Automotive Inc. (listed on 10 November 2021; market capitalization of US\$67,726 million and US\$25,732 million at IPO and as of 7 December 2022, respectively, a decrease of 62%; market capitalization decreased by 75% in the last twelve months)
- Arteris Inc. (listed on 27 October 2021; market capitalization of US\$420 million and US\$139 million at IPO and as of 7 December 2022, respectively, a decrease of 67%; market capitalization decreased by 83% in the last twelve months)
- SentinelOne Inc. (listed on 30 June 2021; market capitalization of US\$8,987 million and US\$3,949 million at IPO and as of 7 December 2022, respectively, a decrease of 56%; market capitalization decreased by 71% in the last twelve months)
- NeoGames SA (listed on 19 November 2020; market capitalization of US\$419 million and US\$463 million at IPO and as of 7 December 2022, respectively, an increase of 10%; market capitalization decreased by 40% in the last twelve months)
- GAN Ltd (listed on 5 May 2020; market capitalization of US\$79 million and US\$55 million at IPO and as of 7 December 2022, respectively, a decrease of 30%; market capitalization decreased by 86% in the last twelve months)
- Aurora Mobile Ltd (listed on 26 July 2018; market capitalization of US\$976 million and US\$107 million at IPO and as of 7 December 2022, respectively, a decrease of 89%; market capitalization decreased by 25% in the last twelve months)

With the substantially decreased IPO volume and uncertainty in macro-economy and Hong Kong stock market, we suggest to lower the expected market capitalization to allow more high quality Commercial Companies to access the capital market.

Whilst we agree that Specialist Technology Companies tend to achieve better revenue growth and hence may command higher valuation, we are of the view that the implied historical P/S ratio of 32 times may not be achievable during challenging market conditions like we have experienced in 2022. We also agree that investors in such companies generally value such companies based on future growth and revenue. However, if you assume a 100% growth of

revenue during the year of listing, its implied forward P/S ratio will still be 16 times, which is still considered to be high during the period when market conditions were more conducive. We therefore would suggest to lower the expected market capitalization threshold for a Commercial Company to be HK\$6 billion, which is higher than the HK\$4 billion expected market capitalization threshold included under Chapter 8.05(3) market capitalization/revenue test, but lower than the proposed HK\$8 billion threshold under this Consultation.

Question 9

Do you agree that a Pre-Commercial Company applicant must have a minimum expected market capitalisation of HK\$15 billion at listing?

Yes

Please give reasons for your views.

Question 10

Do you agree that a Commercial Company must have revenue of at least HK\$250 million for the most recent audited financial year?

Yes

Please give reasons for your views.

Question 11

Do you agree that only the revenue arising from the applicant's Specialist Technology business segment(s) (excluding any inter-segmental revenue from other business segments of the applicant), and not items of revenue and gains that arise incidentally, or from other businesses, should be recognised for the purpose of the Commercialisation Revenue Threshold?

Yes

Please give reasons for your views.

Question 12(a)

Do you agree that a Commercial Company must demonstrate year-on-year growth of revenue derived from the sales of Specialist Technology Product(s) throughout the track record period, with allowance for temporary declines in revenue due to economic, market or industry-wide conditions?

Yes

Please give reasons for your views.

Question 12(b)

Do you agree that the reasons for, and remedial steps taken (or to be taken) to address, any downward trend in a Commercial Company's annual revenue must be explained to the Exchange's satisfaction and disclosed in the Listing Document?

Yes

Please give reasons for your views.

Question 13

Do you agree that a Specialist Technology Company listing applicant must have been engaged in R&D of its Specialist Technology Product(s) for a minimum of three financial years prior to listing?

Yes

Please give reasons for your views.

Question 14(a)

Do you agree that, for a Commercial Company, its total amount of R&D investment must constitute at least 15% of its total operating expenditure for each of its three financial years prior to listing?

Yes

Please give reasons for your views.

Question 14(b)

Do you agree that, for a Pre-Commercial Company, its total amount of R&D investment must constitute at least 50% of its total operating expenditure for each of its three financial years prior to listing?

Yes

Please give reasons for your views.

Question 15

Do you agree with the proposed method for determining the amount of qualifying R&D investment and the total operating expenditure as set out in paragraph 141 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 16

Do you agree that a Specialist Technology Company listing applicant must have been in operation in its current line of business for at least three financial years prior to listing under substantially the same management?

No

Please give reasons for your views.

We would like to suggest setting the minimum operational track record to two financial years prior to listing instead of three.

We believe that requiring a longer minimum operational track record for Specialist Technology Companies which are at relatively early stage of development and require significant capital investment would weaken the competitiveness of the new listing regime.

In comparison, under Chapter 18A, the corresponding requirement is only two financial years. Moreover, in the US, when a company qualifies as an “emerging growth company” as defined by the SEC, it is only required to provide audited financial statements for two fiscal years.

Question 17

Do you agree that there must be ownership continuity and control for a Specialist Technology Company listing applicant in the 12 months prior to the date of the listing application?

Yes

Please give reasons for your views.

Question 18

Do you agree that an applicant applying to list under the proposed regime must have received meaningful investment from Sophisticated Independent Investors (SIIs)?

Yes

Please give reasons for your views.

Question 19

Do you agree with the independence requirements for a Sophisticated Independent Investor as set out in paragraphs 155 to 157 of the Consultation Paper?

Yes

Please give reasons for your views.

Question 20

Do you agree with the proposed definition of a sophisticated investor (including the definition of investment portfolio) as set out in paragraphs 159 to 162 of the Consultation Paper?

No

Please give reasons for your views.

We understand that the Exchange will assess whether an investor is a “sophisticated investor” on a case-by-case basis and the examples included under Paragraph 160 are for illustrative purpose only, but we would like to suggest lowering the HK\$15 billion (~US\$1.9 billion) threshold as prescribed in the examples to HK\$8 billion (~US\$1.0 billion) in order to allow more flexibility and attract more quality applicants to the new listing regime.

We believe that HK\$8 billion is already of established scale, especially when compared with the HK\$1 billion as prescribed for sophisticated investors under Chapter 18A. Given the lackluster stock market performance in 2022, we understand the AUM of sophisticated investors have decreased accordingly, and asset management firms / funds / companies with approximately US\$1.0 billion would be considered as sizable and have sufficient resources to carry out extensive research and rigorous due diligence on their investment targets, and their prior investments could serve as reliable valuation guidance. Also, by lowering such illustrative threshold may also help potential issuers to broader pool of pre-IPO investors who may have smaller AUM which will then help the potential issuers to grow its business.

Selected reputable investors with approximately US\$1.0 billion AUM are as follows:

- MSA Capital (AUM US\$2.0 billion, invested in Yidu Tech Inc., Tujia.com, NIO Inc., Meituan)
- Crescent Point (AUM US\$1.5 billion+, invested in Weimob Inc., Mulsanne Group Holding Ltd, Baozun Inc., Yunji Inc.)
- Princeville (AUM US\$1.5 billion, invested in AUTO1 Group, Tripping.com, Trendyol Group, Cainiao Network Technology Company)
- NIO Capital (AUM ~US\$1.4 billion, invested in Inceptio Technology, Innovusion Holdings Ltd, Momenta)
- V Fund (AUM ~US\$1.4 billion, invested in Horizon Robotics Inc., Geek+, Biren Technology, Contemporary Amperex Technology Ltd)
- Hermitage Capital (AUM US\$1.5 billion, invested in Ximalaya Inc., Lufax Holding Ltd, SenseTime Group Ltd, Ping An Healthcare and Technology Ltd)
- MassAve (AUM US\$1.1 billion, invested in Tuhu.cn, Dingdong Maicai, Zhaoke Ophthalmology Limited)
- Hel Ved (AUM ~US\$1.0 billion, invested in Miaoshou Doctor)
- Tairen (AUM US\$0.9 billion, invested in Pinduoduo Inc., XPeng Inc., Lyft Inc.)
- Hopu-ARM (AUM US\$0.8 billion, invested in Ampere Computing LLC, PragmatIC Inc., Swim.AI Inc.)

In addition, we welcome the inclusion of “key participant in the relevant upstream or downstream industry” as part of the definition of sophisticated investor, but would caution that not all downstream/upstream industries within the targeted industries have concentrated market share, hence we would ask for the Exchange to reconsider the need to have “substantial market share” as part of the consideration.

Question 21

Do you agree that as an indicative benchmark for meaningful investment, an applicant should have received third party investment from at least two Sophisticated Independent Investors who have invested at least 12 months before the date of the listing application, each holding such amount of shares or securities convertible into shares equivalent to 5% or more of the issued share capital of the listing applicant as at the date of listing application and throughout the pre-application 12-month period?

No

Please give reasons for your views.

We believe that the proposed requirements with respect to Pathfinder SII are too stringent and demanding and would like to suggest to expand the number of Pathfinder SII to up to five Sophisticated Independent Investors whose combined shareholdings are 10% or more at least 12 months before the date of the listing application.

We are of the view that there could be a number of potential applicants who may have several rounds of fundraising and such Pathfinder SII could have been diluted to a smaller percentage than 5% 12 months before the date of listing application. This may result in such applicants not being able to meet such requirement. Our proposal above will provide flexibility as potential applicants can then aggregate up to five SII shareholdings to meet the 10% threshold. We consider such proposal can continue to provide good validation to the potential applicants.

We also believe the above proposal will continue to ensure that the applicant has been subject to extensive due diligence checks, prior to listing, by investors who have taken on significant investment risk.

Question 22

Do you agree that as an indicative benchmark for meaningful investment, the aggregate investment from all Sophisticated Independent Investors should result in them holding such amount of shares or securities convertible into shares equivalent to at least such percentage of the issued share capital of the applicant at the time of listing as set out in Table 4 and paragraph 168 of the Consultation Paper?

No

Please give reasons for your views.

We believe that the proposed requirements in relation to aggregate investment from all Sophisticated Independent Investors at the time of listing are difficult to meet and enforce in practice.

Given current volatile market conditions, a potential applicant's expected market capitalization could fluctuate between the date of the listing application and the time of listing, setting a minimum total investment from SII would leave little room for the listing applicants to make necessary adjustments in order to satisfy these requirements, and would potentially render a genuinely marketed and fully subscribed deal fail to consummate by failing to meet such thresholds.

In light of the aforementioned considerations, we would like to suggest either removing the requirements related to aggregate investment from all Sophisticated Independent Investors at the time of listing, or at least consider to lower the thresholds as set out under Table 4.

Question 23

Do you agree that a Pre-Commercial Company applicant must have as its primary reason for listing the raising of funds for the R&D of, and the manufacturing and/or sales and marketing of, its Specialist Technology Product(s) to bring them to commercialisation and achieving the Commercialisation Revenue Threshold?

Yes

Please give reasons for your views.

Question 24

Do you agree that a Pre-Commercial Company applicant must demonstrate to the Exchange, and disclose in its Listing Document, a credible path to the commercialisation of its Specialist Technology Products, appropriate to the relevant Specialist Technology Industry, that will result in it achieving the Commercialisation Revenue Threshold?

Yes

Please give reasons for your views.

Question 25

Do you agree with the examples proposed in paragraphs 176 to 179 (including the definition of “highly reputable customer”) of the Consultation Paper that a Pre-Commercial Company applicant could use to demonstrate a credible path to achieving the Commercialisation Revenue Threshold?

Yes

Please give reasons for your views.

Question 26(a)

Do you agree that a Pre-Commercial Company applicant must explain and disclose, in detail, the timeframe for, and impediments to, achieving the Commercialisation Revenue Threshold?

Yes

Please give reasons for your views.

Question 26(b)

Do you agree that a Pre-Commercial Company applicant must, if its working capital (after taking into account the listing proceeds) is insufficient to meet its needs before it achieves the Commercialisation Revenue Threshold, describe the potential funding gap and how it plans to further finance its path to achieving the Commercialisation Revenue

Threshold after listing?

Yes

Please give reasons for your views.

Question 27

Do you agree that a Pre-Commercial Company applicant must have available working capital to cover at least 125% of its group's costs for at least the next 12 months (after taking into account the IPO proceeds of the applicant), and these costs must substantially consist of the following: (a) general, administrative and operating costs; and (b) R&D costs?

Yes

Please give reasons for your views.

Question 28

Do you agree that Independent Institutional Investors should be given a minimum allocation of offer shares in the IPO of Specialist Technology Companies to help ensure a robust price discovery process?

Yes

Please give reasons for your views.

Question 29

Do you agree with the definition of Independent Institutional Investors as set out in paragraphs 201 to 202 of the Consultation Paper?

Yes

Please give reasons for your views. Please provide any alternative definition you believe appropriate with reasons for your suggestions.

Question 30

Do you agree that a Specialist Technology Company must, in addition to meeting the existing requirements on public float, ensure that at least 50% of the total number of shares offered in the initial public offering (excluding any shares to be issued pursuant

to the exercise of any over-allotment option) must be taken up by Independent Institutional Investors?

No

Please give reasons for your views.

We believe that the requirement of at least 50% of IPO offer shares being taken up by Independent Institutional Investors is high, given that corporate professional investors and individual professional investors are excluded from the definition of Institutional Professional Investors.

According to our observations of recent IPOs on the HKEx, many of them had cornerstone investors taking up over 50% of IPO offer shares, and large proportions of cornerstone investors are non-institutional investors (i.e. corporate / tycoon / ultra-high net worth individuals or family offices). Cornerstone investments from these non-institutional investors alone made up significant proportions of overall offer size (up to 75%) in our samples. The most notable examples we observed include:

- CALB Co., Ltd. (3931.HK)'s ~US\$1,287 million IPO (pre-shoe) on 6 October 2022, with cornerstone investments (~US\$735 million) making up 57% of total IPO offering and 100% of the cornerstone investments being corporate / tycoon / ultra-high net worth individuals or family offices, thus 57% of the total IPO offering was taken up by these investors
- Dingdang Health Technology Group Limited (9886.HK)'s ~US\$51 million IPO (pre-shoe) on 14 September 2022, with cornerstone investments (~US\$38 million) making up 75% of total IPO offering and 100% of the cornerstone investments being corporate / tycoon / ultra-high net worth individuals or family offices, thus 75% of the total IPO offering was taken up by these investors
- Readboy Education Technology Co Ltd. (2385.HK)'s ~US\$50 million IPO (pre-shoe) on 12 July 2022, with cornerstone investments (~US\$27 million) making up 55% of total IPO offering and 100% of the cornerstone investments being corporate / tycoon / ultra-high net worth individuals or family offices, thus 55% of the total IPO offering was taken up by these investors
- ClouDr Group Ltd. (9955.HK)'s ~US\$74 million IPO (pre-shoe) on 6 July 2022, with cornerstone investments (~US\$45 million) making up 61% of total IPO offering and 100% of the cornerstone investments being corporate / tycoon / ultra-high net worth individuals or family offices, thus 61% of the total IPO offering was taken up by these investors
- Gogox Holdings Ltd. (2246.HK)'s ~US\$85 million IPO (pre-shoe) on 24 June 2022, with cornerstone investments (~US\$64 million) making up 75% of total IPO offering and 79% of the cornerstone investments being corporate / tycoon / ultra-high net worth individuals or family offices, thus 59% of the total IPO offering was taken up by these investors
- SenseTime Group Ltd. (0020.HK)'s ~US\$852 million IPO (pre-shoe) on 30 December 2021, with cornerstone investments (~US\$512 million) making up 60% of total IPO offering and 53%

of the cornerstone investments being corporate / tycoon / ultra-high net worth individuals or family offices, thus 32% of the total IPO offering was taken up by these investors

Given that there might have been corporate / tycoon / ultra-high net worth individuals or family offices subscribing to the international tranche as non-cornerstone investors, the actual subscription from these investors could be even higher than stated above.

In light of the aforementioned considerations, we would like to suggest lowering this proposal to requiring at least 20% of the base shares offered during IPO to be taken up by Independent Institutional Investors.

Question 31

Do you agree that in the case where a Specialist Technology Company is listed by way of a De-SPAC Transaction, at least 50% of the total number of shares issued by the Successor Company as part of the De-SPAC Transaction (excluding any shares issued to the existing shareholders of the De-SPAC Target as consideration for acquiring the De-SPAC Target) must be taken up by Independent Institutional Investors?

Yes

Please give reasons for your views.

Question 32

Do you agree that in the case of a Specialist Technology Company seeking to list by introduction, the Exchange will consider granting waivers, on a case-by-case basis, from the requirement for the minimum allocation of offer shares to Independent Institutional Investors, if the applicant is able to demonstrate that it is expected to meet the applicable minimum market capitalisation at the time of listing (see paragraph 120 of the Consultation Paper), having regard to its historical trading price (for at least a six-month period) on a Recognised Stock Exchange with sufficient liquidity and a large investor base (a substantial portion of which are independent Institutional Professional Investors)?

Yes

Please give reasons for your views.

Question 33

Do you agree that there should be a new initial retail allocation and clawback mechanism for Specialist Technology Companies to help ensure a robust price discovery process?

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Yes

Please give reasons for your views.

Question 34

Do you agree with the proposed initial allocation and clawback mechanism for Specialist Technology Companies as set out in paragraph 205 of the Consultation Paper?

Yes

Please give reasons for your views. If your answer is “No”, please provide alternative suggestions and provide reasons for your suggestions.

Question 35

Do you agree that a Specialist Technology Company seeking an initial listing must ensure that a portion of its issued shares with a market capitalisation of at least HK\$600 million is free from any disposal restrictions (whether under: contract; the Listing Rules; applicable laws; or otherwise) upon listing (referred to as its “free float”)?

Yes

Please give reasons for your views.

Question 36

Do you agree that the Exchange should reserve the right not to approve the listing of a Specialist Technology Company if it believes the company’s offer size is not significant enough to facilitate post-listing liquidity, or may otherwise give rise to orderly market concerns?

Yes

Please give reasons for your views.

Question 37

Do you agree that a Specialist Technology Company applicant’s Listing Document must include the additional information set out in paragraph 32 of the Draft Guidance Letter (Appendix V of the Consultation Paper) due to it being a Specialist Technology Company?

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Yes

Please give reasons for your views.

Question 38

Do you have any other suggestions for additional information that a Specialist Technology Company should include in its Listing Document in order to allow an investor to properly assess and value the company?

Yes

If so, please provide your suggestion.

Question 39

Do you agree that existing shareholders should be allowed to participate in the IPO of a Specialist Technology Company provided that the company complies with the existing public float requirement under Rule 8.08(1), the requirement for minimum allocation to Independent Institutional Investors (see paragraph 200 of the Consultation Paper) and the minimum free float requirement (see paragraph 207 of the Consultation Paper)?

Yes

Please give reasons for your views.

Question 40

Do you agree with the proposals set out in paragraph 225 of the Consultation Paper regarding the conditions for existing shareholders subscribing for shares in an IPO?

Yes

Please give reasons for your views.

Question 41(a)

Do you agree that the controlling shareholders of a Commercial Company should be subject to a lock-up period of 12 months?

Yes

Please give reasons for your views.

Question 41(b)

Do you agree that the controlling shareholders of a Pre-Commercial Company should be subject to a lock-up period of 24 months?

Yes

Please give reasons for your views.

Question 42

Do you agree with the scope of key persons (as described in paragraph 242 of the Consultation Paper) that should be subject to a restriction on the disposal of their holdings after listing?

No

Please give reasons for your views.

We would like to raise the following suggestions in relation to this requirement:

- Consider removing senior management and category (iv) as key personnel. We believe that such lock-up arrangement may unnecessarily impact the willingness of certain key personnel to be recognized as senior management under the prospectus. It may also impact personnel recruitment/retention. Lock-up for senior management and other key personnel should be subject to commercial discussion between the underwriters and the listing applicants

Question 43(a)

Do you agree with the proposed lock-up periods on the securities of such key persons and their close associates of 12 months for a Commercial Company?

Please give reasons for your views.

Question 43(b)

Do you agree with the proposed lock-up periods on the securities of such key persons and their close associates of 24 months for a Pre-Commercial Company?

Please give reasons for your views.

Question 44(a)

Do you agree with the proposed lock-up period on the securities of Pathfinders SIIIs of six months for a Commercial Company?

Yes

Please give reasons for your views.

Question 44(b)

Do you agree with the proposed lock-up period on the securities of Pathfinders SIIIs of 12 months for a Pre-Commercial Company?

No

Please give reasons for your views.

We would like to suggest lowering this lock-up period requirement for Pre-Commercial Companies to six months as well (same as that for Commercial Companies).

Question 45

Do you agree that controlling shareholders, key persons and Pathfinder SIIIs should be permitted (in accordance with current Rules and guidance) to sell their securities prior to an IPO and offer them for sale in the IPO, such that only the securities retained by them after listing would be subject to the lock-up restrictions?

Yes

Please give reasons for your views.

Question 46

Do you agree that any deemed disposal of securities by a person resulting from the allotment, grant or issue of new securities by a Specialist Technology Company during a lock-up period would not constitute a breach of the lock-up requirements?

Yes

Please give reasons for your views.

Question 47

Do you agree that a lock-up period in force at the time of the removal of designation as a Pre-Commercial Company should continue to apply unchanged?

Yes

Please give reasons for your views.

Question 48

Do you agree that a Specialist Technology Company must disclose in its Listing Document the total number of securities in the issuer held by the persons (as identified in the Listing Document) that are subject to the lock-up requirements under the Listing Rules, and that the same information must also be disclosed in the interim and annual reports of the Specialist Technology Company for so long as such persons remain as a shareholder?

Yes

Please give reasons for your views.

Question 49

Do you agree with the scope of the additional disclosure in the interim and annual reports of Pre-Commercial Companies as set out in paragraphs 262 and 263 of the Consultation Paper?

Yes

Please give reasons for your views. If your answer is “No”, please provide alternative suggestions and provide reasons for your suggestions.

Question 50

Do you agree that only Pre-Commercial Companies should be subject to the ongoing disclosure requirements referred to in Question 49?

Yes

Please give reasons for your views.

Question 51

Do you agree that Pre-Commercial Companies should be subject to a remedial period of 12 months to re-comply with the sufficiency of operations and assets requirement before delisting, in the event that the Exchange considers that a Pre-Commercial Company has failed to meet its continuing obligation to maintain sufficient operations or assets?

Yes

Please give reasons for your views.

Question 52

Do you agree that Pre-Commercial Companies must not effect any transaction that would result in a fundamental change to their principal business without the prior consent of the Exchange?

Yes

Please give reasons for your views.

Question 53

Do you agree that Pre-Commercial Companies must be prominently identified through a “PC” marker at the end of their stock names?

Yes

Please give reasons for your views.

Question 54

Do you agree that the continuing obligations for Pre-Commercial Companies no longer apply once a Pre-Commercial Company has met the requirements in paragraph 270 of the Consultation Paper and ceases to be regarded as a Pre-Commercial Company?

Yes

Please give reasons for your views.

Question 55

Do you agree with the proposed requirements for Pre-Commercial Companies to demonstrate to the Exchange that they should no longer be regarded as a Pre-

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Commercial Company (see paragraphs 269 to 272 of the Consultation Paper)?

Yes

Please give reasons for your views.