



December 16, 2022

**Re: Consultation Paper on Listing Regime for Specialist Technology Companies**

Ms. Bonnie Y Chan  
Head of Listing  
Hong Kong Exchanges and Clearing Limited

Dear Ms. Chan,

We are submitting this letter in response to the consultation paper (the "**Consultation Paper**") published by The Stock Exchange of Hong Kong Limited (the "**Exchange**") on 19 October 2022 seeking market feedback in creating a listing regime for Specialist Technology Companies on the Main Board of the Exchange in Hong Kong. Capitalized terms used but not otherwise defined in this letter have the respective meanings given to such terms in the Consultation Paper.

NetEase, Inc. (NASDAQ: NTES and HKEX: 9999, "NetEase") is a leading internet technology company based in China that provides premium online services centered around content creation. With extensive offerings across our expanding gaming ecosystem, we develop and operate some of China's most popular and longest running mobile and PC games. Beyond games, we also offer a variety of products and services through our majority-controlled subsidiaries Youdao (NYSE: DAO), China's leading technology-focused intelligent learning company, and Cloud Music (HKEX: 9899), China's leading online music content community, as well as Yanxuan, our private label consumer lifestyle brand.

As a leading internet technology company in China, an investor and an incubator and a market participant in both New York and Hong Kong capital markets, we fully welcome and support the initiatives taken by the Exchange as outlined in the Consultation Paper. Specialist Technology Companies operate in emerging and innovative industries and commit to making long-term investment in the research and development of technologies. Despite the high growth potential, many Specialist Technology Companies are not able to generate sufficient profit or revenue at their early stage to meet the revenue or cash flow requirements to be listed in Hong Kong. With a diversified, well-established and quality pool of investors, we believe that the newly proposed listing regime will attract more innovative technology companies to choose Hong Kong as their fundraising destination.

However, we do note that the overall third-party investment requirements as currently proposed may be overly restrictive. In particular, we note that the currently proposed respective indicative benchmark of "meaningful investment" received from at least two Pathfinder SII's and all Sophisticated Independent Inventors could be difficult to achieve for applicants. Therefore, we would like to propose the Exchange to consider easing the overall third-party investment requirements.

Finally, we would like to reiterate our support for the proposed Specialist Technology Companies listing framework and we believe this will be an important step to modernize and expand the Exchange's existing listing regime to attract innovative technology companies to participate in Hong Kong's capital market.

Yours faithfully,  
For and on behalf of  
NetEase, Inc.

