

[REDACTED]

From: [REDACTED]
Sent: 14 March 2018 12:50
To: response
Subject: Re: Emerging and Innovative Companies CP

Dear Sirs,

1. Under paragraph 8(e) of the Executive Summary and paragraph 74(e) of Chapter 2, you have stated that the listing applicant must have durable patents, registered patents, patent applications or intellectual property in relation to its Core Products.

Often with biotech (and similar patentable technology) companies, patents are registered in the names of individual scientists, founders or employees of the firm. Are you requiring that these patents be transferred to the company? First, this may not be commercially acceptable to the patent holder, who invented the technology. Secondly, a transfer could take a significant amount of time, depending on where the patent is registered.

My suggestion is that you also allow companies to list if the necessary patents are licensed to them on a long-term basis, or if a patent transfer to the company is already under application.

2. Under paragraph 8(g) of the Executive Summary and paragraph 74(g) of Chapter 2:
 - a. Definition of Sophisticated Investor: it would be helpful if the Exchange could provide more guidance on what it considers a Sophisticated Investor. Can they be individuals, or will only institutions count?
 - b. More guidance on what constitutes a "significant investment" would be helpful.
 - c. In saying that the Significant Investor "must remain at IPO" please could the Exchange clarify if the Significant Investor can sell some of its shares at IPO provided it continues to hold some shares through the IPO, or if the Significant Investor cannot sell any shares at all during the IPO. It would be common in other jurisdictions for venture capital investors to sell some of their shares at the IPO, and indeed it would help a technology company raise funds if venture capitalists knew they could experience at least a partial exit at IPO.

Thank you for your consideration. I am available to provide further input as needed.

With kind regards,

Basil Hwang 黃浩宸
Managing Partner 管理合夥人
Hwang Hauzen LLP 黃浩宸律師行有限法律責任合夥
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