
From: Lawrence Wang [REDACTED]
Sent: Friday, March 23, 2018 12:26 PM
To: Pan, Wenseng Wendy; James Fok
Cc: Sandra Leung; Franky Chung; Michael MT Chan; Romnesh Lamba; Christina Bao; Bosco Hui
Subject: RE: BayHelix Comments on the HKEX Proposed Biotech Listing Rules and Guidelines

We agree on all the collective points from BayHelix.

In addition, hope that HKEx can consider putting some additional clarifications on what constitutes Major Transactions, Major Acquisitions and Major Disposals for Biotech Companies. The Revenue Tests and Profit Tests won't really be applicable in these instances and could qualify a minor transaction into something that requires potential circular and shareholders approval. Biotech companies in-license and out-license or acquire and dispose of assets as part of normal business which many times have small revenue components to these deals (upfront receipts of payouts), but these would potentially trigger the Revenue and Profits tests. This could put a significant impediment on the normal business operations if there is no clarity on this issue upfront as Biotech Company's undertake their business development activities.

Second, "The listing primary reason for listing the raising of finance for R&D to bring its Core Product(s) to commercialization". We hope HKEX can consider a broader definition of R&D to includes upfront payments, milestone payments, and other typical product development outlays which may not strictly qualify as R&D expenses.

If any questions on the below, please let us know. Thanks.

Regards,
Larry

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