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**BY HAND AND BY EMAIL**

Corporate and Investor Communications Department  
Hong Kong Exchanges and Clearing Limited  
8<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place  
Central  
Hong Kong

Dear Sirs,

**Consultation Paper on the Main Board Profit Requirement**

Ernst & Young is pleased to respond in this letter to the request of The Stock Exchange of Hong Kong Limited for feedback on the captioned consultation paper. Terms used in this letter shall have the same meaning as defined in the consultation paper.

We welcome the Exchange's ongoing commitment to enhance market quality, and to further strengthen Hong Kong's role as Asia's premier international financial centre. We also understand the regulatory concern cited in the consultation paper and agree that the regulators should tackle any abusive behaviours in the IPO process in order to maintain a fair and orderly market.

The COVID-19 pandemic has had a catastrophic effect on businesses worldwide and we are still not certain whether we have really seen the light at the end of the tunnel. Proposals, even backed with valid regulatory concerns, may not be able to gain market support should they close the door to an important fundraising channel for businesses at such a difficult time.

Furthermore, any drastic change to the Main Board listing requirements should be considered as part of a holistic review of the entire Hong Kong stock market, e.g., whether there should be a reform to offer an attractive avenue for quality companies of a smaller size that will be shut out from the Main Board to raise equity capital - either on a further revamped GEM or another platform, so that these companies will not be unduly penalised by the abusive behaviours of certain listing applicants.

Should you have any questions on the above comments, please do not hesitate to contact our Professional Practice Partner in Hong Kong, [REDACTED]

Yours faithfully,

[REDACTED]

*Certified Public Accountants*  
Hong Kong