

## Part B Consultation Questions

Please indicate your preference by checking the appropriate boxes. Please reply to the questions below on the proposed change discussed in the Consultation Paper downloadable from the HKEX website at:

<https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/November-2020-MB-Profit-Requirement/Consultation-Paper/cp202011.pdf>

Where there is insufficient space provided for your comments, please attach additional pages.

**Capitalised terms have the same meaning as defined in the Consultation Paper unless otherwise stated.**

1. Do you agree that the Profit Requirement should be increased by either Option 1 (150%) or Option 2 (200%)? Please give reasons for your views.

Yes

No

You may provide reasons for your views.

I do not agree a sharp increase to the Profit Requirement.  
The historical P/E ratio of HSI is around 13 to 15 times. Both the implied P/E ratio of Option 1 and Option 2 is relatively too low compared to the P/E ratio of HSI. Some old economy blue chip companies, such as 17.HK, 66.HK may even have a much higher historical P/E ratio. Also, it is not a good timing to adjust the Profit Requirement. The social incident in 2019 and pandemic of COVID-19 in 2020 already have a significant adverse impact to the performance of business, especially those Hong Kong based companies. It weakened the chance of these companies to get listed and have the sufficient funds from the capital market to further grow and expand.

2. Besides the proposed increase in the Profit Requirement, is there any other alternative requirement that should be considered? Please give reasons for your views.

Yes

No

You may provide reasons for your views.

3. Do you agree that the Exchange should consider granting temporary relief from the increased Profit Requirement due to the challenging economic environment? Please give reasons for your views.

Yes

No

You may provide reasons for your views.

I agree with the granting of relief given the current challenging economic environment.

4. If your answer to Question 3 is yes, do you agree with the conditions to the temporary relief as set out in paragraph 55? Please give reasons for your views.

Yes

No

You may provide reasons for your views.

Please see the reasons stated above.

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