



羅兵咸永道

Hong Kong Exchanges and Clearing Limited
8th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

30th November, 2018

Dear Sirs,

Re: Consultation Paper on Proposal relating to Listed Issuers with Disclaimer or Adverse Audit Opinion on Financial Statements

PricewaterhouseCoopers welcomes the opportunity to respond to this consultation. We support the proposal to require suspension of trading in an issuer's securities if the issuer's auditor has issued, or has indicated that it will issue, a disclaimer of opinion or an adverse opinion on the issuer's financial statements until the issues giving rise to the disclaimer or adverse opinion have been addressed.

If an auditor issues a disclaimer or an adverse opinion on an issuer's financial statements, it indicates the risk of misstatement in the financial statements could be both material and pervasive, and investors may not have reliable information to make an informed assessment of the issuer's financial position. We consider this to be a serious matter and the trading suspension proposal may be one of the possible options to inform the market of the seriousness of the matter. This will help protect the interests of investors.

Further, we noted that the trading suspension proposal is consistent with the practices in the US, UK and some other major capital markets, and the adoption of the proposal will bring Hong Kong in line with international standards in this respect.

If you want to discuss the matter further, please do not hesitate to contact Kennedy Liu at [REDACTED]

Yours faithfully,
[REDACTED]