

April 23, 2020

Via Email ([jeff@cii.org](mailto:jeff@cii.org))

Jeffrey P. Mahoney  
General Counsel  
Council of Institutional Investors  
1717 Pennsylvania Avenue, NW Suite 350  
Washington, DC 20006

Re: *Luckin Coffee Inc. & Ernst & Young Hua Ming LLP*

Dear Jeff:

Thank you for your recent letter of April 9, 2020. As indicated in our Strategic Plan, we are committed to holding auditors accountable when they engage in improper conduct within our jurisdiction. Our commitment applies regardless of the location of the firm or its associated persons and includes China-based auditors. Additionally, we continue to prioritize cases involving significant audit failures. Our enabling statute, however, does not allow us to confirm or deny the existence of any particular enforcement action.

Investing in China-based issuers continues to pose significant risks. For that reason, Chairman Clayton and I have repeatedly highlighted for investors the risks associated with investing in emerging markets, including China. As noted in our [December 7, 2018 statement](#) and re-confirmed in our [April 21, 2020 statement](#), Chinese authorities continue to impede our ability to oversee PCAOB-registered firms in mainland China and Hong Kong. Specifically, they are impairing our ability to conduct inspections and investigations of the audits of public companies with China-based operations. We believe it is important for investors to be aware of that fact when making investment-related decisions.

Whether we will obtain full access for inspections and investigations in China remains an open issue. We have long sought the cooperation of Chinese authorities and will continue to do so. In the meantime, we maintain and update a [list of public companies](#) whose audits are impacted by our inability to inspect and will continue to look for other ways to provide investors with timely and relevant information. For more information

on this issue, I encourage you and your members to review our [webpage dedicated to our China-related access challenges](#).

As always, we will continue to engage with investors and other stakeholders on this and other audit-related issues, and appreciate you sharing your members' views with us.

Sincerely,

A handwritten signature in black ink that reads "William D. Duhnke III". The signature is written in a cursive style with a prominent "W" and "D".

William D. Duhnke III  
Chairman