

CMBI Credit Commentary

Chinese properties: Another stock-take on accounting issues

Overnight, there were another 4 developers announced the delay of publication of audited FY21 results, namely Agile, Dexin, Logan and Fantasia.

Agile will delay the publication of audited FY21 results to on or before 15 May'22 and will release unaudited FY21 results on 31 Mar'22. Dexin announced the delay in publication of audited FY21 results but will release the unaudited FY21 results on 30 Mar'22. Both Agile and Dexin are audited by PWC.

In addition, Logan will delay the publication of audited FY results to on or before 30 Apr'22 and will release the unaudited FY results on 31 Mar'22. Fantasia, on the other hand, announced the delay of publication of audited FY21 results and will not publish unaudited FY21 results. Fantasia will face shares trading suspension starting from 1 Apr'22.

So far, 20 developers announced different types of accounting issues such as the changes of auditors and/or delay in publication of audited FY21 results, 10 of them were originally audited by PWC. As we pointed out in our comments: [HPDLF - Another big 4 is expected to be appointed soon on 28 Jan'22](#), auditors will put Chinese property developers under microscope for review as auditors themselves are under scrutiny by regulatory watchdogs. Recalled that Financial Reporting Council of Hong Kong announced its enquiries and investigation into the audit of Evergrande accounts by PWC in Oct'21. Please see our comments on Hopson for a list of Chinese property developers audited by PWC.

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| Date | Developers | Accounting issues | Original auditor |
|-------------|-------------------|--|-------------------------|
| 26 Jan'22 | Aoyuan | Replaced Deloitte with Shinewing. Board meeting on 21 Mar'22. On 25 Mar'22, announced possible delay in publication of FY21 results. To face shares trading suspension. | Deloitte |
| 27 Jan'22 | Hopson | Replaced PWC with E&Y. Expected audited FY21 results to be released on 31 Mar'22. | PWC |
| 25 Feb'22 | Yuzhou | Replaced E&Y with UniTax. Board meeting on FY21 results on 31 Mar'22. | E&Y |
| 18 Mar'22 | Sinic | Delay in publication of audited FY21 results. No indication on the publication of unaudited FY21 results. Trading halt since 20 Sep'21 because of the overdue onshore payment of RMB38.7mn. | E&Y |
| 21 Mar'22 | Evergrande | Delay in publication of audited FY21 results. No indication on the publication of unaudited FY21 results. Current shares trading suspension should be related to the account irregularities and delay in publications of FY21 results. | PWC |
| 21 Mar'22 | Ronshine | Replaced PWC with Elite Partners. Delay in publication of audited FY21 results and unaudited results to be released on 31 Mar'22. | PWC |
| 21 Mar'22 | Shimao | Delay in publication of audited FY21 results to on or before 30 Apr'22. Unaudited FY21 results to be released on 31 Mar'22. On 25 Mar,22, replaced PWC with Zhonghui Anda and issued profit warning. | PWC |
| 21 Mar'22 | Sunac | Delay in publication of audited FY21 results and unaudited results to be released on 31 Mar'22. On 28 Mar'22, announced unable to release unaudited FY21 results. To face shares trading suspension. | PWC |
| 21 Mar'22 | Shinsun | Delay in publication of audited FY21 results and unaudited results to be released on 30 Mar'22. | E&Y |
| 22 Mar'22 | Kaisa | Delay in publication of audited FY21 results. No indication on the publication of unaudited FY21 results. Lengthy share trading suspension expected. | Grant Thornton |
| 22 Mar'22 | JY Grandmark | Delay in publication of audited FY21 results and unaudited results to be released on 31 Mar'22. | PWC |
| 24 Mar'22 | Powerlong | Replaced PWC with Elite Partners. Delay in publication of audited FY21 results to on or before 15 May'22. Unaudited results to be released on 29 Mar'22. | PWC |
| 24 Mar'22 | Mingfa | Delay in publication of audited FY21 results and unaudited results to be released on 31 Mar'22. | BDO |
| 24 Mar'22 | Greenland HK | Delay in publication of audited FY21 results and unaudited results to be released on 29 Mar'22. | Deloitte |

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| 24 Mar'22 | Sansheng | Delay in publication of audited FY21 results and unaudited results to be released on 31 Mar'22. | KPMG |
| 25 Mar'22 | GZRF | Delay the publication of audited FY21 results to no later than 30 Apr'22. Unaudited results to be released on 31 Mar'22. | PWC |
| 29 Mar'22 | Agile | Delay the publication of audited FY21 results to on or before 15 May'22. Unaudited results to be released on 31 Mar'22. | PWC |
| 29 Mar'22 | Dexin | Delay in publication of audited FY21 results and unaudited results to be released on 30 Mar'22. | PWC |
| 29 Mar'22 | Logan | Delay the publication of audited FY21 results to on or before 30 Apr'22. Unaudited results to be released on 31 Mar'22. | E&Y |
| 29 Mar'22 | Fantasia | Delay in publication of audited FY21 results. Unaudited results will not be published on 31 Mar'22. To face shares trading suspension. | Deloitte |

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