

## CMBI Credit Commentary – HPDLF

### HPDLF: Another big 4 is expected to be appointed soon

Hopson announced the resignation of PWC, citing the auditor's concerns on lack of requisite information on Hopson's equity investment, property projects and the valuation of investment properties, etc. As per our discussions with Hopson, it expects to appoint another big 4 auditor soon and the auditor change will not lead to delay in publication of its FY21 results. We maintain OW on HPDLFs.

As we wrote in our Asia HY corps outlook and daily yesterday, we expect qualified opinions, account restatements, resignations of auditors or even delays in publications of FY21 results. While auditors will put Chinese property developers under microscope for review, regulators may also put auditors under more stringent scrutiny. Recalled that Financial Reporting Council of Hong Kong announced its enquiries and investigation into the audit of Evergrande accounts by PWC in Oct'21. See below for a list of Chinese property developers audited by PWC.

Stock Ticker	Stock Name
3383 HK Equity	AGILE GROUP HOLDINGS LTD
3333 HK Equity	CHINA EVERGRANDE GROUP
2007 HK Equity	COUNTRY GARDEN HOLDINGS CO
2117 HK Equity	DATANG GROUP HOLDINGS LTD
2019 HK Equity	DEXIN CHINA HOLDINGS CO LTD
6968 HK Equity	GANGLONG CHINA PROPERTY GROU
845 HK Equity	GLORIOUS PROPERTY HOLDINGS
2777 HK Equity	GUANGZHOU R&F PROPERTIES - H
754 HK Equity	HOPSON DEVELOPMENT HOLDINGS
2768 HK Equity	JIAYUAN INTERNATIONAL GROUP
1862 HK Equity	JINGRUI HOLDINGS LTD
2231 HK Equity	JY GRANDMARK
106 HK Equity	LANDSEA GREEN PROPERTIES CO
3990 HK Equity	MIDEA REAL ESTATE HOLDING LT
1238 HK Equity	POWERLONG REAL ESTATE HOLDIN
1622 HK Equity	REDCO PROPERTIES GROUP LTD
3301 HK Equity	RONSHINE CHINA HOLDINGS LTD
1030 HK Equity	SEAZEN GROUP LTD
813 HK Equity	SHIMAO GROUP HOLDINGS LTD
3377 HK Equity	SINO-OCEAN GROUP HOLDING LTD
59 HK Equity	SKYFAME REALTY HOLDINGS LTD
1918 HK Equity	SUNAC CHINA HOLDINGS LTD
3639 HK Equity	YIDA CHINA HOLDINGS LTD
123 HK Equity	YUEXIU PROPERTY CO LTD
405 HK Equity	YUEXIU REAL ESTATE INVESTMENT

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