

WANG TAI HOLDINGS LTD:

THIS COMPANY IS, CLEARLY, ON THE BALLS OF ITS ASS

Zhonghui Anda CPA Ltd (), the Independent Auditor of Wang Tai Holdings Ltd () (Code: 1400, Main Board, The Stock Exchange of Hongkong Ltd), has heavily qualified the accounts of the publicly listed Company.

In respect of the Financial Year, ended December 31, 2017, Zhonghui Anda CPA Ltd has issued that which it has labelled as a ‘*Disclaimer of Opinion*’.

The Disclaimer of Opinion is so grave that one may well perceive it to suggest that it amounts to an adjuration of numerous, anomalous matters, unearthed in the Company’s accounts in respect of the 2017 Financial Year.

On March 29, 2018, Zhonghui Anda CPA Ltd signed off as the Independent Auditor for the 2017-Year, having devoted Three Pages to its findings, culminating in the statement:

‘However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.’

That which was made very plain in this internationally renowned accounting company’s Report to Shareholders of the Company, entitled ‘**DISCLAIMER OF OPINION**’, included:

‘We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of

Opinion section of our report, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.'

At Note Two of the Report of Zhonghui Anda CPA Ltd, it was stated, at Page 59 of the 2017-Year's Annual Report of the Company:

'Investment accounted for using equity method

'We have not yet obtained sufficient and appropriate audit evidence to satisfy ourselves as to (i) the recoverability of investment accounted for using equity method of approximately RMB71,506,000 and RMB86,856,000 as at 31 December 2017 and 2016, respectively; (ii) whether the share of loss of investment accounted for using equity method of approximately RMB15,350,000 and RMB3,144,000 were properly recorded for the years ended 31 December 2017 and 2016, respectively; (iii) whether the impairment for investment accounted for using equity method of RMB60,000,000 for the year ended 31 December 2016 was properly recorded; (iv) the recoverability of the amount due from an associate of approximately RMB7,290,000 as at 31 December 2017; and (v) the related disclosure of the investment accounted for using equity method disclosed in note 18 to the consolidated financial statements.'

Then, at Page 60 of the Company's Annual Report, Zhonghui Anda CPA Ltd stated, under the heading, ***'Material uncertainty related to going concern'***:

'We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss of approximately RMB732,765,000 for the year ended 31 December 2017, and as at 31 December 2017, the Group had net current liabilities and net liabilities of approximately RMB314,548,000 and RMB129,032,000, respectively. Furthermore, as at 31 December 2017, the Group's bank borrowings of approximately RMB195,991,000 were overdue and its bonds of approximately RMB186,563,000 are subject to renewal or to be fully repaid within the next twelve months as disclosed in note 24 to the consolidated financial statements. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon that the Group will be able to successfully renew or extend the existing borrowings or complete debt financing to meet its liabilities as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to meet in full its financial obligations in the foreseeable future. We consider that the material uncertainty has been adequately disclosed in the consolidated financial statements. However, in view of the extent of the uncertainty relating to the continued support of the Group's bankers and bondholders, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.'

PricewaterhouseCoopers () resigned as the Auditor of the Company with effect from November 14, 2017, due to disagreements over audit fees.

Zhonghui Anda CPA Ltd replaced PricewaterhouseCoopers on the same day.

PricewaterhouseCoopers had, also, heavily qualified the accounts of Wang Tai Holdings Ltd with regard to the 2016 Financial Year.

According to the database of **TOLFIN** (), the Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider, Wang Tai Holdings Ltd has recorded continuous Net Losses Attributable to Shareholders since the end of the 2014 Financial Year.

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