

China developer Evergrande plunges after resuming Hong Kong trading

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Shares in troubled Chinese property giant Evergrande in Hong Kong plummeted more than 80 percent on Monday after it resumed trading.

Shares in troubled Chinese property giant Evergrande plummeted about 80 percent in Hong Kong on Monday after the lifting of a 17-month

trading suspension.

The resumption of trading came after the company said in a filing on Friday that it had met guidelines set out by the bourse, including belatedly publishing its financial results and complying with other listing rules.

Once China's largest real estate firm, Evergrande defaulted in 2021 and is saddled with more than \$300 billion in liabilities, becoming a symbol of the nationwide property crisis that many fear could spill over globally.

Its shares plunged as much as 87 percent during morning trading, slashing its market value from a peak of more than \$50 billion in 2017 to around \$590 million as of lunch break.

The company on Sunday reported fresh losses for the first half of the year amounting to 33 billion yuan (\$4.53 billion)—an improvement on the 66.4 billion yuan in losses reported in the same period last year.

But its cash assets fell from \$2 billion last year to \$556 million, reflecting its dwindling liquidity.

China's property market "cooled down significantly" in the first six months of the year and saw new defaults in the sector, "further exacerbating the volatility in the market", Evergrande said.

"Based on the principles of respecting international restructuring practices and treating the rights and claims of all creditors in a fair and equitable manner, the Company steadily pushed forward the work related to the restructuring of its offshore debts," the firm added.

In March 2022, the Hong Kong stock exchange suspended trading in Evergrande shares after the company failed to publish its 2021 financial

results.

Its results for 2021 and 2022 were published last month, showing a net loss of more than \$113 billion over the two-year period.

The company risked being delisted if its shares were suspended from trading for 18 months, according to Hong Kong stock exchange rules.

Creditor meetings delayed

Evergrande was supposed to hold creditor meetings on Monday on its offshore debt restructuring proposal, but it announced in the afternoon the meetings were delayed—just hours before they were set to take place.

The postponement of roughly one month will allow creditors to "consider, understand and evaluate" the plan, the company said in an exchange filing.

The meetings will take place between September 25 and 26, which the developer said was "in line" with the timetable creditors expected.

Evergrande's plan offers creditors a choice to swap their debt into new notes issued by the company and equities in two subsidiaries, Evergrande Property Services Group and Evergrande New Energy Vehicle Group.

Earlier this month, the company filed for [bankruptcy protection](#) in the United States, a measure to protect its US assets during its restructuring.

The company is also fending off winding-up petitions in Hong Kong courts, with one case adjourning its hearing to October.

China's real estate sector has proven to be a stumbling block as the

world's second-largest economy tries to break out of a post-COVID slump.

Fellow Chinese property developer Country Garden now risks defaulting on its bond payments next month, with the company saying there are "major uncertainties in the redemption of corporate bonds".

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