

2021 Issue 35

From September 13 to September 24

OECD downgrades global economic growth to 5.7%;
Chinese real estate issuers downgraded

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Date:

September 29, 2021

Headline: OECD downgrades global economic growth to 5.7%, China's economic growth is expected to grow 8.5% in 2021

On September 21, local time, the Organization for Economic Cooperation and Development ("OECD") released its latest economic outlook, lowering the global GDP growth forecast for 2021 by 0.1 percentage point to 5.7%. The global economy is projected to grow 4.5% in 2022. The economies of the Eurozone, the United States and China in 2021 are estimated to grow 5.3%, 6% and 8.5% respectively.

The outlook pointed out that economic recovery is still in progress but the pace of economy has slowed down. OECD emphasized that, in the context of uncertain short-term prospects and the fragile labor market, the use of macroeconomic policy is still necessary. While scaling back economic stimulus, a good and effective forward-looking communication between the central bank and the market is also vitally important.

Exchange Rate: RMB exchange rate went up slightly

The RMB exchange rate fluctuated and went up slightly. As of September 24, the RMB mid-point rate closed at 6.4599, increasing by 33bp from September 10.

Interest Rate: Chinese Government Bond yields diverged; US Treasury yields generally rose

Chinese Government Bond yields diverged for the last 2 weeks. Last week, the Federal Reserve announced its September meeting's statement and resolution, releasing a hawkish signal and said that it would announce tapering as soon as this year's November, which led to a rise in US Treasury yields. As of September 24, the yield spread between China and US 10-year note was 141.8bp, narrowing by 9.9bp from last Friday and 84.7bp from the beginning of the year.

Chinese Offshore Bond Market**Primary Market: Chinese offshore bond issuance was active; ICBC was the major issuer**

From September 13 to September 24, there were 49 new issues with a total issued volume of USD15.2 billion. Among them, ICBC was the major issuer, issued a total volume of USD6.2 billion.

Secondary Market: Returns on Chinese USD bonds decreased; return on real estate bonds continued to drop

As of September 24, the YTD return on Chinese USD corporate bond index decreased by 29bp from last Friday to -2.37%. The return on investment-grade bond dropped by 33 bp to 0.82%, and the return on high-yield bond decreased by 17bp to -10.14%. In terms of sector indices, the return on real estate bonds continued to drop, decreasing by 9bp from last Friday to -12.86%.

Rating Actions: Several real estate companies were downgraded**Panda Bond Market: BMW Finance, Crédit Agricole, and NDB issued 4 panda bonds**

Headline: OECD downgrades global economic growth to 5.7%, China's economic growth is expected to grow 8.5% in 2021

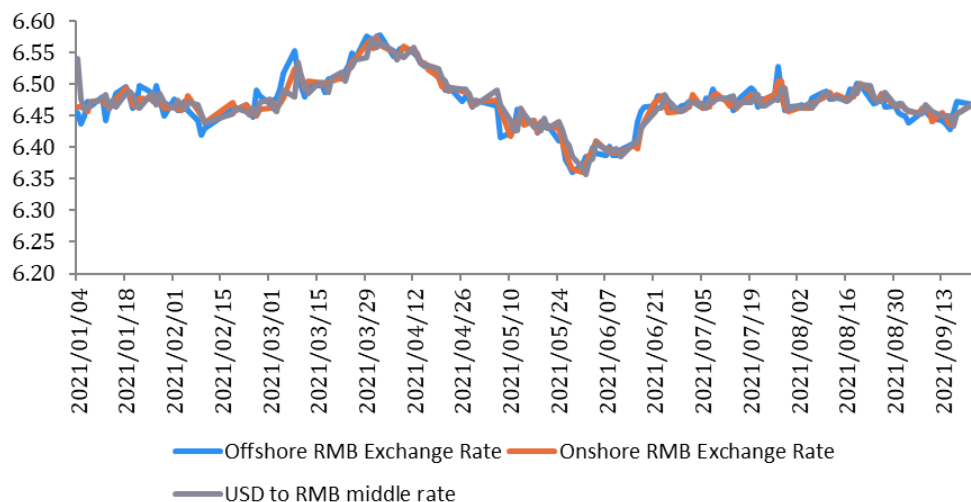
On September 21, local time, the Organization for Economic Cooperation and Development (“OECD”) released its latest economic outlook, lowering the global GDP growth forecast for 2021 by 0.1 percentage point to 5.7%. The global economy is projected to grow 4.5% in 2022. The economies of the Eurozone, the United States and China in 2021 are estimated to grow 5.3%, 6% and 8.5% respectively.

The outlook pointed out that economic recovery is still in progress. Yet, Purchasing Managers’ Index (“PMI”), the global corporate output indicator, has weakened since May, indicating that the pace of economy has slowed down. Despite the economic rebound since the beginning of this year, 2021’s output is still 3.5% lower than the pre-pandemic forecast. The USD4.5 trillion disparity is equivalent to the annual global GDP growth during normal time. OECD emphasized that, in the context of uncertain short-term prospects and the fragile labor market, the use of macroeconomic policy is still necessary. While scaling back economic stimulus, a good and effective forward-looking communication between the central bank and the market is also vitally important.

Exchange Rate: RMB exchange rate went up slightly

The RMB exchange rate fluctuated and increased slightly. As of September 24, the RMB mid-point rate closed at 6.4566, increasing by 33bp from September 10; the onshore RMB exchange rate increased by 237bp to 6.4645; the offshore RMB exchange rate increased by 165bp to 6.4615.

Figure 1 : RMB exchange rate



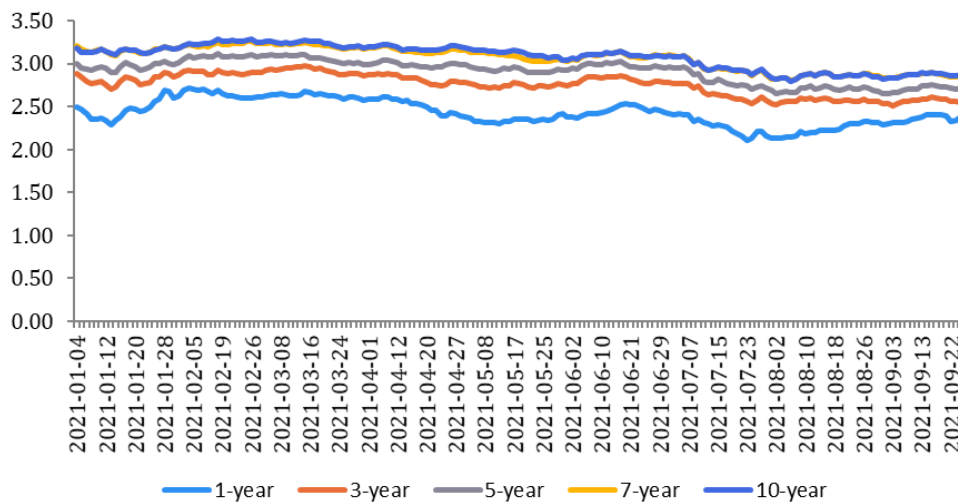
Sources: Wind, CCX research

Interest Rate: Chinese Government Bond yields diverged; US Treasury yields generally rose

Chinese Government Bond yields diverged. As of September 24, the 1-year, 5-year and 10-year Chinese Government Bond yields fluctuated upward as compared with September 10, closing at 2.3828%, 2.7206% and 2.8719% respectively. The 3-year and 7-year Chinese Government Bond yields fluctuated downward, closing at 2.5426% and 2.8521% respectively. Overall, given that yields are currently at a relatively low level and liquidity could tighten further, yields

may demonstrate a slight upward trend.

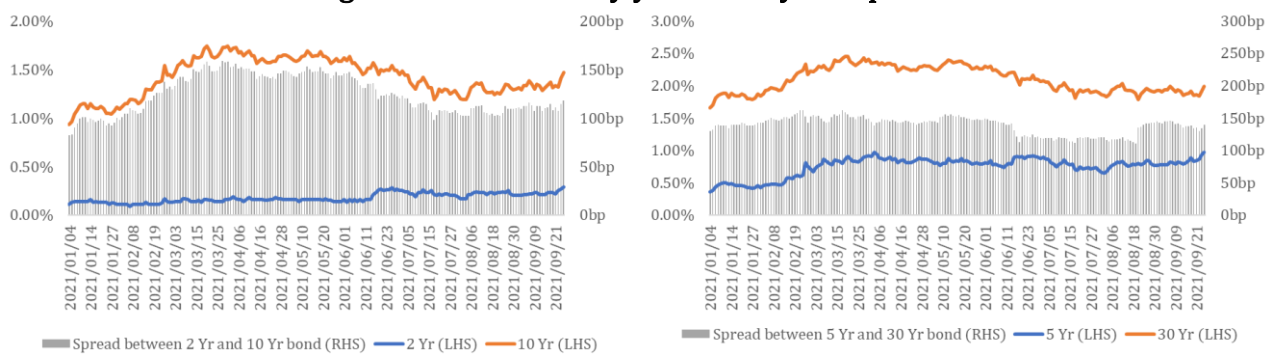
Figure 2 : China Government Bond yields



Sources: ChinaBond.com.cn, CCX research

Last week, the Federal Reserve announced its September meeting’s statement and resolution, releasing a hawkish signal and said that it would announce tapering as soon as this year’s November. It led to a rise in US Treasury yields. As of September 24, 2-year, 5-year, 10-year and 30-year Treasury yields closed at 0.29%, 0.97%, 1.47% and 1.99%, increasing by 6bp, 9bp, 10bp and 8 bp from last Friday, respectively. 30-year Treasury yields flattened at 1.94%. In terms of Treasury yield spreads, the spread between the 2-year and 10-year was 118bp, widening by 4bp, while the spread between the 5-year and 30-year widened by 1bp to 139bp.

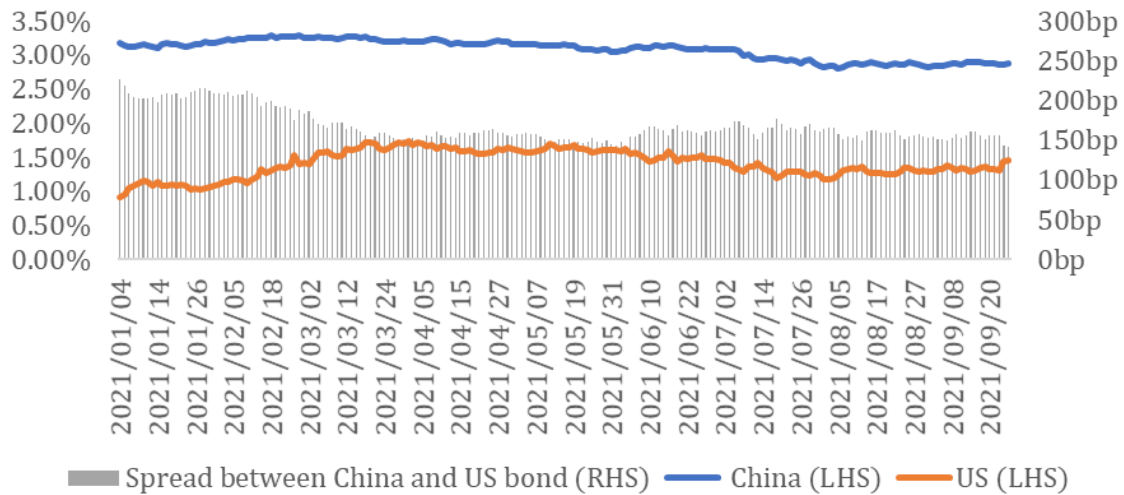
Figure 3 : US Treasury yields and yield spreads



Sources: US Department of the Treasury, CCX research

As of September 24, the yield spread between China and US 10-year note was 141.8bp, narrowing by 9.9bp from last Friday and 84.7bp from the beginning of the year.

Figure 4 : Yield spread between China and US 10-year note



Sources: Bloomberg, ChinaBond.com.cn, CCX research

Chinese Offshore Bond Market

Primary Market: Chinese offshore bond issuance was active; ICBC was the major issuer

From September 13 to September 24, there were 49 new issues with a total issued volume of USD15.2 billion. Among them, Industrial and Commercial Bank of China Limited (“ICBC”) was the major issuer, issued a total volume of USD6.2 billion.

Table 1 : New issuance of Chinese offshore bonds (20210913-20210924)

Pricing Date	Obligor	Currency	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating (Moody's/S&P/Fitch)	Issue Rating (Moody's/S&P/Fitch)
2021/9/13	China Development Bank Financial Leasing Co Ltd	USD	40	0.8	2022/9/13	365D	Financials	A1/A/A+	-/-/-
2021/9/13	Radiance Holdings Group Co Ltd	USD	300	7.8	2024/3/20	2.5	Real Estate	B1/B+/-	B2/B/-
2021/9/13	Redsun Properties Group Ltd	USD	200	9.5	2023/9/20	2	Real Estate	B2/-/B+	B3/-/B+
2021/9/13	Shimao Group Holdings Ltd	USD	300	3.975	2023/9/16	2	Real Estate	Ba1/BBB-/BBB-	-/-/BBB-
2021/9/13	Shimao Group Holdings Ltd	USD	748	5.2	2027/1/16	5.3	Real Estate	Ba1/BBB-/BBB-	-/-/BBB-
2021/9/13	Taizhou Oriental China Medical City Holding Group Co Ltd	USD	50	2.1	2024/9/17	3	Chengtou	-/-/-	-/-/-
2021/9/14	CC Land Holdings Ltd	USD	300	5.2	2025/9/20	4	Real Estate	-/-/-	-/-/-
2021/9/14	China Development Bank Financial Leasing Co Ltd	USD	50	0.85	2022/9/23	365D	Financials	A1/A/A+	-/-/-
2021/9/14	eHi Car Services Ltd	USD	300	7	2026/9/21	5	Consumer Discretionary	-/B/B	-/-/B
2021/9/14	Guangzhou Metro Group Co Ltd	USD	200	1.579	2026/9/23	5	Chengtou	A1/-/A+	-/-/A+
2021/9/14	Seazen Group Ltd	USD	200	4.25	2022/9/22	364D	Real Estate	Ba1/BB+/BB+	-/-/-
2021/9/14	Sinochem Hong Kong Group Co Ltd	USD	400	1	2024/9/23	3	Real Estate	A3/A-/A	-/-/-
2021/9/14	Sinochem Hong Kong Group Co Ltd	USD	600	1.5	2026/9/23	5	Real Estate	A3/A-/A	-/-/-
2021/9/14	Sinochem Hong Kong Group Co Ltd	USD	500	2.375	2031/9/23	10	Real Estate	A3/A-/A	-/-/-

2021/9/15	Agricultural Bank of China Ltd/Hong Kong	USD	10	0.22	2022/9/20	364D	Banks	A1/A/A	-/-/-
2021/9/15	Jinan City Construction Group Co Ltd	USD	305	2.4	2026/9/23	5	Chengtou	Baa2/-/BBB+	Baa2/-/BBB+
2021/9/16	Beijing Environment Sanitation Engineering Group Co Ltd	USD	230	1.65	2024/9/24	3	Chengtou	-/BBB/BBB+	-/BBB/BBB+
2021/9/16	Bank of Communications Financial Leasing Co Ltd	HKD	775	1.07	2024/9/27	3	Financials	A2/A-/A	-/-/-
2021/9/16	Industrial and Commercial Bank of China Limited	USD	6,160	3.2	-	Perpetual	Banks	A1/A/-	Ba1/-/-
2021/9/16	Yincheng International Holding Co Ltd	USD	110	12.5	2022/9/20	364D	Real Estate	B2/-/-	-/-/-
2021/9/16	Pinghu State-owned Asset Holding Group Co Ltd	USD	300	2.2	2024/9/24	3	Chengtou	-/-/BBB-	-/-/-
2021/9/16	Shaanxi Tourism Group Co Ltd	USD	80	3	2024/9/24	3	Consumer Discretionary	-/-/-	-/-/-
2021/9/16	Zensun Enterprises Ltd	USD	160	12.5	2024/4/23	2.6	Real Estate	B3/-/-	-/-/-
2021/9/17	Wuxi Hengting Industrial Co Ltd	USD	80	2.05	2024/9/24	3	Financials	-/-/-	-/-/-
2021/9/17	Chengdu Aerotropolis City Development Group Co Ltd	USD	300	2.8	2024/9/24	3	Chengtou	-/-/-	-/-/-
2021/9/17	China Forestry Group Corp	USD	50	5.5	2024/9/24	3	Chengtou	-/-/-	-/-/-
2021/9/17	Weifang Urban Construction & Development Investment Group Co Ltd	USD	400	2.6	2024/9/27	3	Chengtou	Baa3/-/BBB-	-/-/BBB-
2021/9/17	Nanjing Niushou Mountain Cultural Tourism Group Co Ltd	USD	150	2.05	2024/9/23	3	Chengtou	-/-/-	-/-/-
2021/9/17	Jiangsu Yueda Group Co Ltd	USD	90	1.95	2022/9/28	364D	Consumer Discretionary	-/-/-	-/-/-
2021/9/20	CMB International Capital Corp Ltd	USD	10	0.25	2021/10/27	30D	Financials	Baa1/BBB+/-	-/-/-
2021/9/22	CITIC Securities International Co Ltd	USD	25	0.000001	2022/9/22	363D	Financials	-/BBB+/-	-/-/-
2021/9/22	CITIC Securities International Co Ltd	USD	4	0.000001	2022/9/22	364D	Financials	-/BBB+/-	-/-/-
2021/9/22	CITIC Securities International Co Ltd	USD	4	0.000001	2022/9/22	364D	Financials	-/BBB+/-	-/-/-
2021/9/22	CITIC Securities International Co Ltd	USD	15	0.000001	2022/9/22	364D	Financials	-/BBB+/-	-/-/-
2021/9/22	CITIC Securities International Co Ltd	USD	3	0.000001	2022/9/22	364D	Financials	-/BBB+/-	-/-/-
2021/9/22	CITIC Securities International Co Ltd	USD	18	0.000001	2022/9/22	364D	Financials	-/BBB+/-	-/-/-
2021/9/23	CITIC Securities International Co Ltd	USD	10	0.000001	2022/9/22	364D	Financials	-/BBB+/-	-/-/-
2021/9/23	Guotai Junan International Holdings Ltd	USD	50	0.57	2022/10/3	364D	Financials	Baa2/BBB+/-	-/-/-
2021/9/23	Xinhu Zhongbao Co Ltd	USD	250	11	2024/9/28	3	Real Estate	-/B/B-	-/-/-
2021/9/23	Bank of China Ltd/Macau	CNY	1,000	2.75	2023/9/29	2	Banks	A1/A/A	A1/A/A
2021/9/23	Bank of China Ltd/Sydney	USD	300	0.75	2024/9/29	3	Banks	A1/A/A	A1/-/A
2021/9/23	Bank of China Ltd/Macau	MOP	1,000	0.6	2023/9/29	2	Banks	A1/A/A	A1/A/A
2021/9/23	China Construction Bank Corporation/Hong Kong	USD	700	1.5	2026/9/29	5	Banks	A1/A/A	A1/A/-
2021/9/23	Huaibei City Construction Investment Holding Group Co Ltd	USD	300	2.75	2024/9/30	3	Industrials	-/-/-	-/-/-
2021/9/23	Jingrui Holdings Ltd	USD	165	12	2024/1/28	2.3	Real Estate	B2/B/-	-/B/-

2021/9/13	Taizhou Oriental China Medical City Holding Group Co Ltd	USD	50	2.1	2024/9/17	3	Chengtou	-/-/-	-/-/-
2021/9/24	CITIC Securities International Co Ltd	USD	14	0.000001	2022/9/22	363D	Financials	-/BBB+/-	-/-/-
2021/9/24	Gansu Province Electric Power Investment Group Co Ltd	USD	300	3.7	2024/9/29	3	Chengtou	Baa3/-/BBB-	Baa3/-/-
2021/9/24	Wuhan Dangdai Science & Technology Industries Group Co Ltd	USD	21	9	2022/3/28	181D	Health Care	-/-/-	-/-/-

Sources: Bloomberg, CCX research

From September 13 to September 24, three companies announced tap bond offering.

Table 2 : Tap bond offering (20210913-20210924)

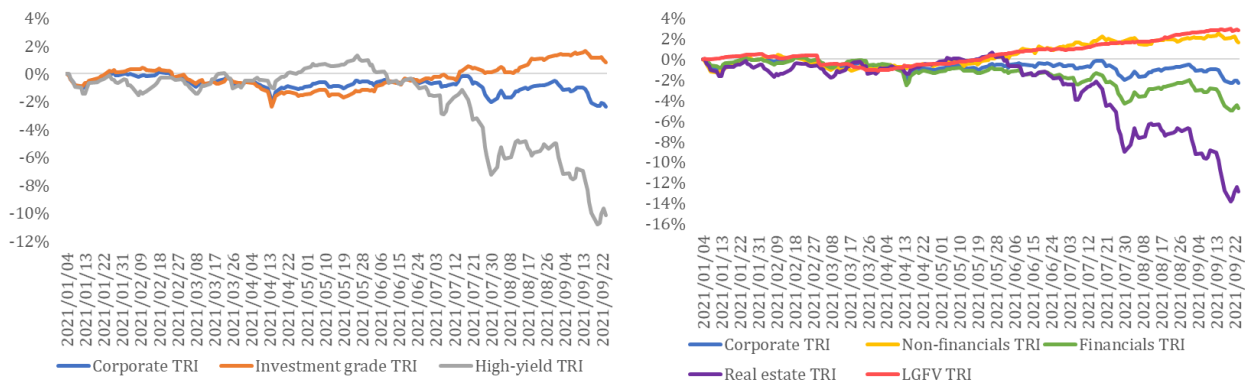
Pricing date	Obligor	Currency	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating (Moody's/S&P/Fitch)	Issue Rating (Moody's/S&P/Fitch)
2021/9/13	KWG Group Holdings Ltd	USD	458 (reoffered 158)	7.4	2024/3/5	4.6	Real Estate	-/-/A-	-/-/A-
2021/9/17	Sichuan Development Holding Co Ltd	USD	500 (reoffered 100)	2.8	2026/8/18	5	Financials	-/-/A-	-/-/A-
2021/9/23	Jiayuan International Group Ltd	USD	230 (reoffered 100)	11	2024/2/17	2.75	Real Estate	B3/B/B+	B3/-/B+

Sources: Bloomberg, CCX research

Secondary Market: Returns on Chinese USD bonds decreased; return on real estate bonds continued to drop

As of September 24, the YTD return¹ on Chinese USD corporate bond index decreased by 29bp from last Friday to -2.37%. The return on investment-grade bond dropped by 33 bp to 0.82%, and the return on high-yield bond decreased by 17bp to -10.14%. In terms of sector indices, the return on real estate bonds continued to drop, decreasing by 9bp from last Friday to -12.86%. The return on financial, non-financial and Chengtou bonds decreased by 19bp, 44bp and 3bp from last Friday to -4.77%, 1.56% and 2.76%, respectively.

Figure 5 : YTD return on Markit IBoxx Chinese USD bond index

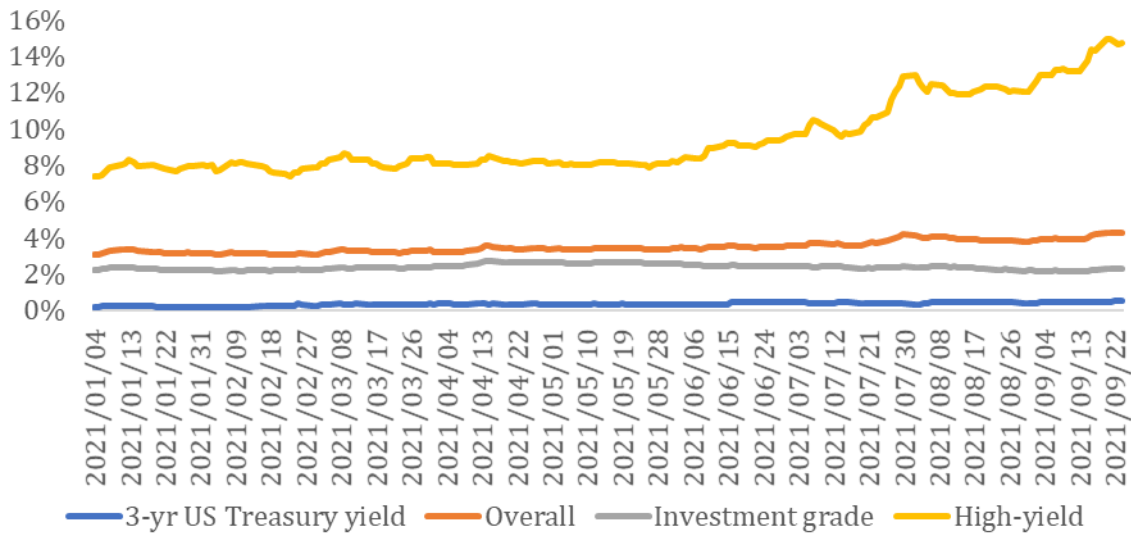


¹ Year-to-date return measures the return since January 4, 2021

Sources: Bloomberg, CCX research

As of September 24, the yield-to-worst of Chinese dollar bonds rose by 13bp to 4.28% from last Friday, of which investment grade bond index rose by 8bp to 2.31% and high-yield bond index rose by 38bp to 14.66%.

Figure 6 : Yield-to-worst of Bloomberg Barclays Chinese USD bond index



Sources: Bloomberg, CCX research

Rating Actions: Several real estate companies were downgraded

From September 13 to September 24, the rating agencies took positive rating actions on 3 Chinese issuers and took negative rating actions on 16 Chinese issuers.

Table 3 : Credit rating changes of cross-border bond market (20210913-20210924)

	Entity	Sector	Current Rating		Previous Rating			Rating Agency	Reason of Change
			Entity Rating	Outlook	Entity Rating	Outlook	Date		
International Rating:									
	eHi Car Services Ltd	Consumer Discretionary	B	Rating Watch Positive	B	STABLE	2021/5/6	S&P	Improved liquidity, maturities after proposed notes issuance
Upgrade	HBIS Group Co Ltd	Materials	BBB+	STABLE	BBB+	RWN	2021/7/13	Fitch	HBIS will remain a market leader and government support will stay strong
	China SCE Group Holdings Ltd	Real Estate	B+	STABLE	B+	NEG	2020/4/9	S&P	Steady operations and funding access
	eHi Car Services Ltd	Consumer Discretionary	B+	STABLE	B	Rating Watch positive	2021/5/5	Fitch	Improved debt maturity profile

eHi Car Services Ltd	Consumer Discretionary	B+	STABLE	2021/9/24	B	Rating Watch Positive	2021/9/13	S&P	Lengthening of eHi's weighted average debt maturities to more than three years
Guangzhou R&F Properties Co Ltd R&F Properties (HK) Company Limited	Real Estate	B+	NEG	2021/9/13	B+	STABLE	2021/4/27	Fitch	Limited access to funding amid ongoing refinancing needs
Ronshine China Holdings Ltd	Real Estate	B	STABLE	2021/9/14	B+	NEG	2021/4/12	S&P	Reduced profitability hampers deleveraging
Fantasia Holdings Group Co Ltd	Real Estate	B	NEG	2021/9/14	B	NEG	2019/4/4	S&P	Sizable offshore maturities dragging on financial resources
Sinic Holdings (Group) Co Ltd	Real Estate	B+	NEG	2021/9/15	B+	STABLE	2021/5/31	Fitch	Weakened access to the debt capital market and the rising execution risk of its high-churn business strategy
China Evergrande Group Hengda Real Estate Group Co Ltd Tianji Holding Ltd	Real Estate	CC	NEG	2021/9/15	CCC	NEG	2021/8/5	S&P	Depleted Liquidity
Central China Real Estate Limited	Real Estate	B+	NEG	2021/9/15	B+	STABLE	2021/8/5	S&P	Tough operating conditions in Henan province
Ronshine China Holdings Ltd	Real Estate	B2	STABLE	2021/9/16	B1	STABLE	2021/4/8	Moody's	Weak profitability and key credit metrics
Fantasia Holdings Group Co Ltd	Real Estate	B	NEG	2021/9/16	B+	NEG	2021/7/6	Fitch	Lower implied cash collection
Lanzhou Construction Investment (Holding) Group Co Ltd	Chengtou	BB+	NEG	2021/9/17	BBB-	STABLE	2020/9/23	Fitch	Revised assessment of the financial implications of default
Sinic Holdings (Group) Co Ltd	Real Estate	CCC+	RWM	2021/9/20	B	NEG	2021/9/10	S&P	Unclear repayment plans
Sinic Holdings (Group) Co Ltd	Real Estate	BB-	RWM	2021/9/20	BB-	STABLE	2020/12/24	Lianhe Global	The deterioration in access to financing channels and heightened refinancing risk
China South City Holdings Ltd	Real Estate	B	NEG	2021/9/21	B	STABLE	2020/8/12	S&P	Narrowed financing channels with limited capital market access

Downgrade

	Sinic Holdings (Group) Co Ltd	Real Estate	CCC		2021/9/22	B+	NEG	2021/9/15	Fitch	Lower likelihood of bond refinancing
	Xinyuan Real Estate Co Ltd	Real Estate	CCC	NEG	2021/9/22	B-	NEG	2021/7/30	S&P	Further delay of financial statement release
	Sinic Holdings (Group) Co Ltd	Real Estate	Caa2	Ratings Under Review	2021/9/23	B2	STABLE	2021/9/15	Moody's	Materially weakening liquidity
	Greenland Holding Group Co Ltd	Real Estate	Ba1	NEG	2021/9/23	Ba1	STABLE	2021/8/30	Moody's	Tight onshore funding and
	Greenland Hong Kong Holdings Ltd	Real Estate	Ba2	NEG	2021/9/23	Ba2	STABLE	2021/8/30	Moody's	volatile offshore debt capital markets weaken Greenland Holding's credit quality and ability to raise new debt
	Greenland Global Investment Ltd	Real Estate	Ba2	NEG	2021/9/23	Ba2	STABLE	2020/7/28	Moody's	
	Ronshine China Holdings Ltd	Real Estate	B+	NEG	2021/9/24	BB-	NEG	2021/4/12	Fitch	Weak profitability
Domestic Rating:										
Downgrade	Jiangsu Nantong Sanjian Construction Group Co Ltd	Industrials	AA-	NEG	2021/9/14	AA+	NEG	2021/7/28	Lianhe Rating	Affected by China Evergrande Group, the Company has greater uncertainty in the cash collection of the projects
	Hengda Real Estate Group Co Ltd	Real Estate	A	RWN	2021/9/15	AA	RWN	2021/9/2	CCXI	Tight cash flow and deteriorated profitability

Sources: Bloomberg, Wind, CCX research

Panda Bond Market: BMW Finance, Crédit Agricole, and NDB issued 4 panda bonds

On September 16, the second phrase of BMW Finance N.V. 2021 Medium Term Notes Type 1 bond and Type 2 bond were issued in the China Interbank Market through Bond Connect. BMW issued two tranches of bonds totaling RMB1.5 billion and RMB2 billion, which have tenor of 2 years and 3 years and coupon rates of 2.10% and 3.15% respectively. CCXI assigned an issuer rating of AAA to the Company.

On September 17, the second phrase of Crédit Agricole S.A. 2021 Renminbi Bonds was issued in the China Exchange Market, raising RMB1 billion, with a tenor of 3 years and a coupon rate of 3.14%. On the same day, the second phrase of 2021 New Development Bank Renminbi Bond was issued in the China Exchange Market, through Bond Connect, raising RMB2 billion, with a tenor of 5 years and a coupon rate of 3.02%. CCXI assigned AAA to NDB.

Table 4 : New issuance of Panda Bond in 2021 (20210101-20210924)

Issuer	Amount (RMB billion)	Coupon (%)	Issue date	Maturity	Tenor	Bond Type	Issue Market	Local Rating Agency
New Development Bank	2	3.02	2021/9/17	2026/9/17	5	International Institution Bond	China Interbank Market	China Chengxin
Crédit Agricole S.A.	1	3.14	2021/9/17	2024/9/17	3	Financial Bond	China Interbank Market	S&P China
BMW Finance N.V	2	3.15	2021/9/16	2024/9/16	3	MTN	China Interbank Market	China Chengxin
BMW Finance N.V	1.5	3.1	2021/9/16	2023/9/16	2	MTN	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	2.5	2.55	2021/8/30	2021/11/19	0.22	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	2.5	2.55	2021/8/30	2021/11/26	0.24	SCP	China Interbank Market	China Chengxin
Far East Horizon Limited	0.7	3.78	2021/8/30	2023/8/30	2	MTN	China Interbank Market	China Chengxin
GLP China Holdings Limited	1.2	4.30	2021/8/23	2026/8/23	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Everbright Water Limited	0.8	2.40	2021/8/10	2021/12/8	0.33	SCP	China Interbank Market	Shanghai Brilliance Rating
China Mengniu Dairy Company Limited	0.5	2.50	2021/8/4	2021/10/29	0.24	SCP	China Interbank Market	China Chengxin
China Power International Development Limited	0.5	2.63	2021/8/3	2022/3/1	0.58	SCP	China Interbank Market	China Chengxin
China Everbright Greentech Limited	1	3.50	2021/7/28	2026/7/28	5	MTN	China Interbank Market	Lianhe Credit
Luso International Banking Limited	1.5	3.28	2021/7/27	2024/7/27	3	Financial Bond	China Interbank Market	Lianhe Credit
China Mengniu Dairy Company Limited	2	2.60	2021/7/27	2021/12/9	0.37	SCP	China Interbank Market	China Chengxin
Beijing Enterprises Water Group Limited	1	3.27	2021/7/14	2026/7/14	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Beijing Enterprises Water Group Limited	1	3.64	2021/7/14	2026/7/14	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Far East Horizon Limited	0.5	3.98	2021/7/12	2023/7/12	2	MTN	China Interbank Market	China Chengxin
Bank of China Group Investment Limited	2.5	3.64	2021/6/24	2024/6/24	3	MTN	China Interbank Market	China Chengxin / Lianhe Credit
China Mengniu Dairy Company Limited	1.2	2.50	2021/6/24	2021/9/17	0.23	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	0.8	2.65	2021/6/22	2021/12/16	0.48	SCP	China Interbank Market	China Chengxin
China Everbright Limited	4	3.70	2021/6/18	2024/6/18	3	MTN	China Interbank Market	China Chengxin
China Everbright Environment Group Limited	2	3.60	2021/6/15	2024/6/15	3	MTN	China Interbank Market	Lianhe Credit Rating

BMW Finance N.V.	1.5	3.03	2021/6/15	2022/6/15	1	CP	China Interbank Market	China Chengxin
BMW Finance N.V.	2	3.44	2021/6/15	2024/6/15	3	MTN	China Interbank Market	China Chengxin
GLP China Holdings Limited	2	4.30	2021/6/11	2026/6/11	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Traditional Chinese Medicine Holdings Co. Limited	1	2.65	2021/5/31	2022/2/25	0.74	SCP	China Interbank Market	--
Hengan International Group Company Limited	1	2.90	2021/5/25	2021/11/23	0.5	CP	China Interbank Market	China Chengxin
Daimler International Finance BV	2	3.77	2021/5/21	2024/5/21	3	PPN	China Interbank Market	--
Daimler International Finance BV	2	3.60	2021/5/21	2023/5/21	2	PPN	China Interbank Market	--
Yuexiu Transport Infrastructure Limited	0.5	3.84	2021/5/13	2028/5/13	7	Corporate Bond	Shanghai Exchange Market	China Chengxin
Yuexiu Transport Infrastructure Limited	1	3.48	2021/5/13	2026/5/13	5	Corporate Bond	Shanghai Exchange Market	China Chengxin
Hengan International Group Company Limited	1	2.90	2021/4/26	2021/10/23	0.5	SCP	China Interbank Market	China Chengxin
Beijing Enterprises Water Group Limited	1.5	3.98	2021/4/23	2029/4/23	8	MTN	China Interbank Market	Shanghai Brilliance Rating
China Power International Development Limited	2	3.54	2021/4/23	2024/4/23	3	MTN	China Interbank Market	China Chengxin
GLP China Holdings Limited	1.5	4.40	2021/4/22	2026/4/22	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Mengniu Dairy Company Limited	1	2.50	2021/4/19	2021/6/25	0.18	SCP	China Interbank Market	China Chengxin
Hengan International Group Company Limited	1	3.00	2021/4/15	2021/10/12	0.5	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	1	2.50	2021/4/8	2021/6/25	0.21	SCP	China Interbank Market	China Chengxin
Hengan International Group Company Limited	1	3.08	2021/3/26	2021/9/23	0.5	SCP	China Interbank Market	China Chengxin
China Mengniu Dairy Company Limited	2	2.50	2021/3/26	2021/6/24	0.25	SCP	China Interbank Market	China Chengxin
New Development Bank	5	3.22	2021/3/25	2024/3/25	3	International Institution Bond	China Interbank Market	Lianhe Credit Rating
GLP China Holdings Limited	1.5	4.40	2021/3/25	2024/3/25	3	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Daimler International Finance BV	2	3.80	2021/3/19	2024/3/19	3	PPN	China Interbank Market	--
Daimler International Finance BV	2	3.70	2021/3/19	2023/3/19	2	PPN	China Interbank Market	--
Crédit Agricole S.A.	1	3.50	2021/3/18	2024/3/18	3	Financial Bond	China Interbank Market	S&P China
GLP China Holdings Limited	1.5	4.40	2021/3/18	2024/3/18	3	MTN	China Interbank Market	Shanghai Brilliance Rating

SIIC Environment Holdings Ltd.	1.5	3.89	2021/3/15	2026/3/15	5	Corporate Bond	Shanghai Exchange Market	China Chengxin
Asian Development Bank	2	3.20	2021/3/11	2026/3/11	5	International Institution Bond	China Interbank Market	--
GLP China Holdings Limited	1.7	4.37	2021/3/8	2024/3/8	3	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Power International Development Limited	0.5	3.20	2021/2/8	2021/8/6	0.5	SCP	China Interbank Market	Golden Credit Rating
Yuexiu Transport Infrastructure Limited	1	3.78	2021/1/28	2026/1/28	5	MTN	China Interbank Market	China Chengxin
Yuexiu Transport Infrastructure Limited	1	3.63	2021/1/25	2026/1/25	5	Corporate Bond	Shanghai Exchange Market	China Chengxin
GLP China Holdings Limited	0.7	3.98	2021/1/25	2024/1/25	3	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
China Everbright Water Ltd	1	3.75	2021/1/15	2024/1/15	3	MTN	China Interbank Market	Shanghai Brilliance Rating

Sources: Bloomberg, CCX research

Issuer analysis: BMW Finance N.V.

Issuer profile: BMW Finance N.V., a wholly owned subsidiary of BWM AG, was established in 1983 and headquartered in the Netherlands. As of the end of 2020, the company's registered capital was EUR1.75 million. BWW acts as the bond issuance platform of the BMW Group. As an important financing subsidiary of the BMW Group, BMW Finance mainly carries out specific financial activities related to the Group's financing strategy. In order to strengthen the Group's financial position and serve the purpose of centralizing management, further improving the efficiency of internal capital use, BMW Finance raises funds in the capital market. On the whole, BMW Financial is benefited from the strong shareholder background and holds an important strategic position in the BMW Group, which can receive strong support from the company. The BMW Group demonstrates a leading position in the global high-end automotive industry, with the extremely high brand value, outstanding scale advantages and broad product pedigree, advanced research and development technology and strong debt solvency. At the same time, the BMW Group is also affected by factors including the decline in profitability and the in-depth adjustment of the automotive industry structure.

Issuance history: BMW Finance is a very active issuer in the Panda Bond market. Since March 2019, a total of 12 panda bonds have been issued, with a total amount of RMB22.5 billion. The average tenor and the average coupon rate were 2 years and 3.37%, respectively. Issuances all took place in the China Interbank Market, mainly in the form of PPN. Medium-term notes and short-term bonds have been started to issue from this year. This week, BMW Financial successfully issued the second phase of 2021 medium-term notes via Bond Connect, through Type 1 and Type 2 bonds, with a total scale of RMB3.5 billion. From the perspective of the length of the issuance, two bonds have the tenors of 2 years and 3 years, respectively; from the perspective of the use of proceeds, it is for the general corporate purposes of BMW Group's

subsidiaries in China, the same as before; from the perspective of the issuance cost, The coupon rates of the two bonds are 3.10% and 3.15%, respectively, and the issuance spread is 55BP, hitting a record low. The mean issuance spread of all panda bonds issued by BMW Finance in the Panda Bond market is 82BP.

Table 5: Historical Issuance of BMW Financial N.V. in the Panda Bond Market

No.	Issue date	Maturity	Tenor	Amount (RMB billion)	Coupon (%)	Spread (BP)	Use of Proceeds	Bond Type	Issue Market	Local Rating Agency	Issuer Rating
1	2021/9/16	2024/9/16	3	2	3.15	55	general corporate purposes of BMW Group	MTN	China Interbank Market	China Chengxin	AAA
2	2021/9/16	2023/9/16	2	1.5	3.1	55	general corporate purposes of BMW Group	MTN	China Interbank Market	China Chengxin	AAA
3	2021/6/15	2022/6/15	1	1.5	3.03	56	general corporate purposes of BMW Group	CP	China Interbank Market	China Chengxin	AAA
4	2021/6/15	2024/6/15	3	2	3.44	59	general corporate purposes of BMW Group	MTN	China Interbank Market	China Chengxin	AAA
5	2020/7/16	2021/7/16	1	2.5	3.19	104	/	PPN	China Interbank Market	China Chengxin	AAA
6	2020/3/4	2023/3/4	3	2	3.35	105	/	PPN	China Interbank Market	China Chengxin	AAA
7	2020/3/4	2021/3/4	1	1.5	2.90	96	/	PPN	China Interbank Market	China Chengxin	AAA
8	2019/10/21	2020/10/21	1	2	3.37	78	/	PPN	China Interbank Market	China Chengxin	AAA
9	2019/10/21	2021/10/21	2	1	3.57	83	/	PPN	China Interbank Market	China Chengxin	AAA
10	2019/7/12	2020/7/12	1	1.5	3.30	69	/	PPN	China Interbank Market	China Chengxin	AAA
11	2019/7/12	2022/7/12	3	2	3.98	109	/	PPN	China Interbank Market	China Chengxin	AAA
12	2019/3/8	2022/3/8	3	3	4.00	120	/	PPN	China Interbank Market	China Chengxin	AAA

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