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From October 18 to October 22

Chinese offshore bond issuance significantly increased;
Sinic Holdings defaulted on its USD bond

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Headline: Eurozone PMI reached a record low, policy rate in Turkey was reduced again

This week, the Eurozone and US PMI data were released. The IHS Markit Eurozone Composite PMI in October was 54.3, a six-month low. In US, the Composite PMI in October was 57.3, which was higher than the previous value of 55; but the Manufacturing PMI was 59.2, which fell short of expectations. Both Europe and US are facing problems such as inflationary pressure and rising costs caused by factors such as supply chain crisis and high energy prices. In addition, the Bank of Russia announced to raise the key rate by 75bp to 7.5%, and it was the sixth rate hike this year. Different from the global mainstream trend, in the context of rising inflation and weak Turkish lira, the Central Bank of the Republic of Turkey announced to sharply reduce the policy rate by 200bp to 16%. The Turkish lira has dropped 22% since the beginning of this year.

Exchange Rate: RMB exchange rate increased significantly

Since October, the RMB exchange rate has increased significantly. As of October 22, the RMB mid-point rate closed at 6.4032.

Interest Rate: Chinese and US Government Bond yields increased

This week, Chinese Government Bond yields fluctuated upward. US Treasury yields rose due to inflation expectations in US elevated as oil prices increased. As of October 22, the yield spread between China and US 10-year note was 136.3bp, narrowing by 3.5bp from last Friday and narrowing by 90.2bp from the beginning of the year.

Chinese Offshore Bond Market**Primary Market: Chinese offshore bond issuance significantly increased, financial institutions were the largest issuers**

From October 18 to October 22, there were 27 new issues with a total issued volume of USD16.7 billion. Among them, financial institutions were the largest issuers, which issued 9 bonds, with a total issued volume of USD11.2 billion.

Secondary Market: Returns on Chinese USD bonds rose, real estate bonds had the biggest gain

As of October 22, the YTD return on Chinese USD corporate bond index increased by 39bp from last Friday to -5.01%. The return on investment-grade bond rose by 7bp to 0.10%, and the return on high-yield bond increased by 120bp to -17.67%. In terms of sector indices, real estate bonds had the biggest gain, which rose 163bp from last Friday to -21.63%.

Rating Actions: CCXAP assigns first-time long-term credit rating of BBB_g- to Taizhou Huaxin Pharmaceutical Investment Co., Ltd., with stable outlook**Risk Event: Sinic Holdings defaulted on its USD bond****Panda Bond Market: China Power and GLP issued 2 new bonds altogether this week****Special Analysis: The Republic of Poland**

Headline: Eurozone PMI reached a record low, policy rate in Turkey was reduced again

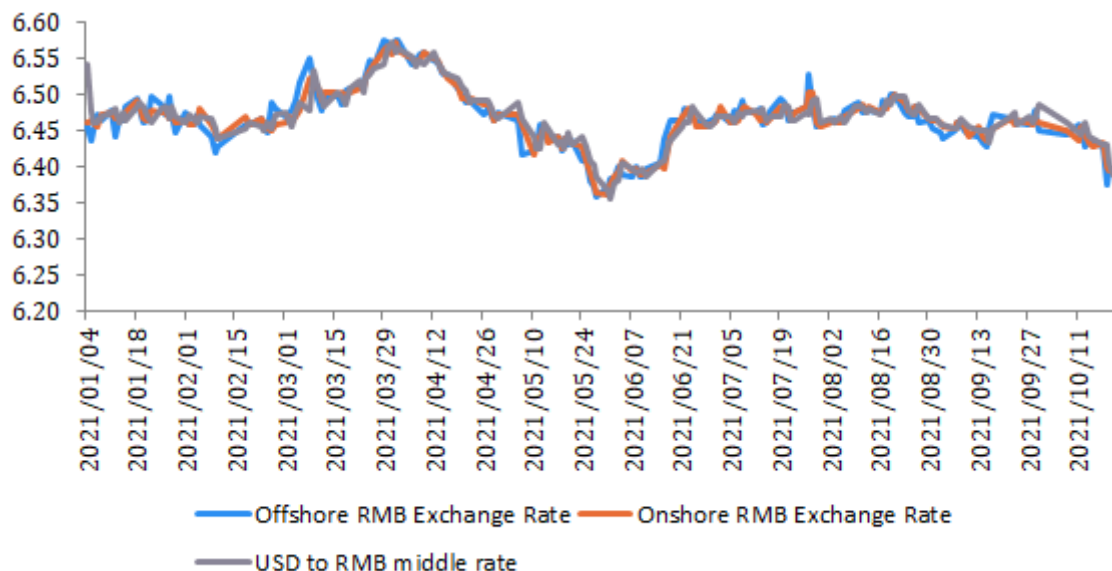
This week, the Eurozone and US PMI data were released. On October 22, the IHS Markit Eurozone Composite PMI in October was 54.3, a six-month low. The Manufacturing PMI was 53.2 and the Services PMI was 54.7. Driven by the supply chain crisis and high energy prices, the cost of businesses in the Eurozone has soared, which has slowed the growth of business activities. At the same time, the service industry was still constrained by the pandemic. In US, the Composite PMI in October was 57.3, which was higher than the previous value of 55; the Manufacturing PMI was 59.2, which fell short of expectations and fell to the lowest level since March 2021; the Services PMI rose to 58.2, which was better than expected. The Fed's latest Beige Book stated that the US economy is still growing steadily, but labor shortages and supply chain bottlenecks are pushing up inflationary pressures and putting pressure on companies.

In addition, the Bank of Russia announced to raise the key rate by 75bp to 7.5%, on the grounds that the current inflation in Russia is much higher than previously predicted, and it was the sixth rate hike this year. Different from the global mainstream trend, in the context of rising inflation and weak Turkish lira, the Central Bank of the Republic of Turkey announced to sharply reduce the policy rate by 200bp to 16%. The Turkish lira has dropped to a record low, with a decline of 22% since the beginning of this year.

Exchange Rate: RMB exchange rate increased significantly

Since October, the RMB exchange rate has increased significantly, and has broken through the 6.45-6.5 range. The RMB appreciated due to the weak USD index. As of October 22, the RMB mid-point rate closed at 6.4032, decreased by 354bp from last Friday; the onshore RMB exchange rate declined by 388bp to 6.3903; the offshore RMB exchange rate decreased by 506bp to 6.3839.

Figure 1 : RMB exchange rate



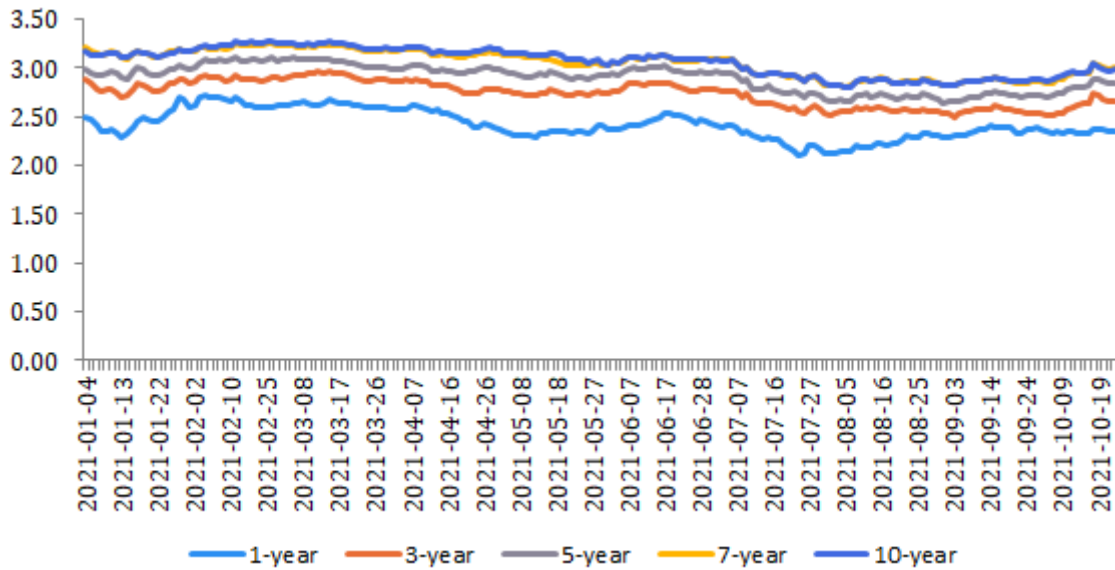
Sources: Wind, CCX research

Interest Rate: Chinese and US Government Bond yields increased

Chinese Government Bond yields fluctuated upward. As of October 22, the 1-year, 3-year, 5-

year, 7-year, and 10-year Chinese Government Bond yields fluctuated upward comparing to last Friday, closed at 2.3475%, 2.6556%, 2.8496%, 3.0075% and 2.9953% respectively.

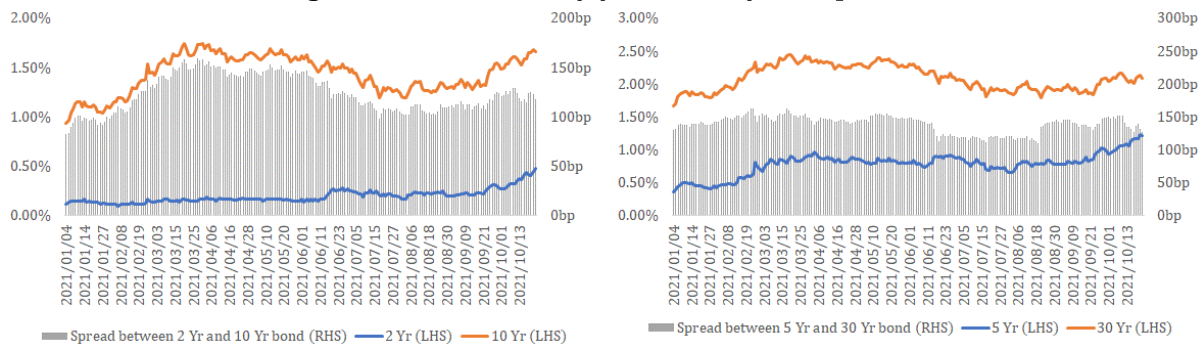
Figure 2 : China Government Bond yields



Sources: ChinaBond.com.cn, CCX research

US Treasury yields rose due to inflation expectations in US elevated as oil prices increased. As of October 22, 2-year, 5-year, 10-year, and 30-year Treasury yields closed at 0.48%, 1.22%, 1.66%, and 2.08%, increasing by 7bp, 9bp, 7bp and 3bp from last Friday, respectively. In terms of Treasury yield spreads, the spread between the 2-year and 10-year flattened at 118bp, while the spread between the 5-year and 30-year narrowed by 5bp to 127bp.

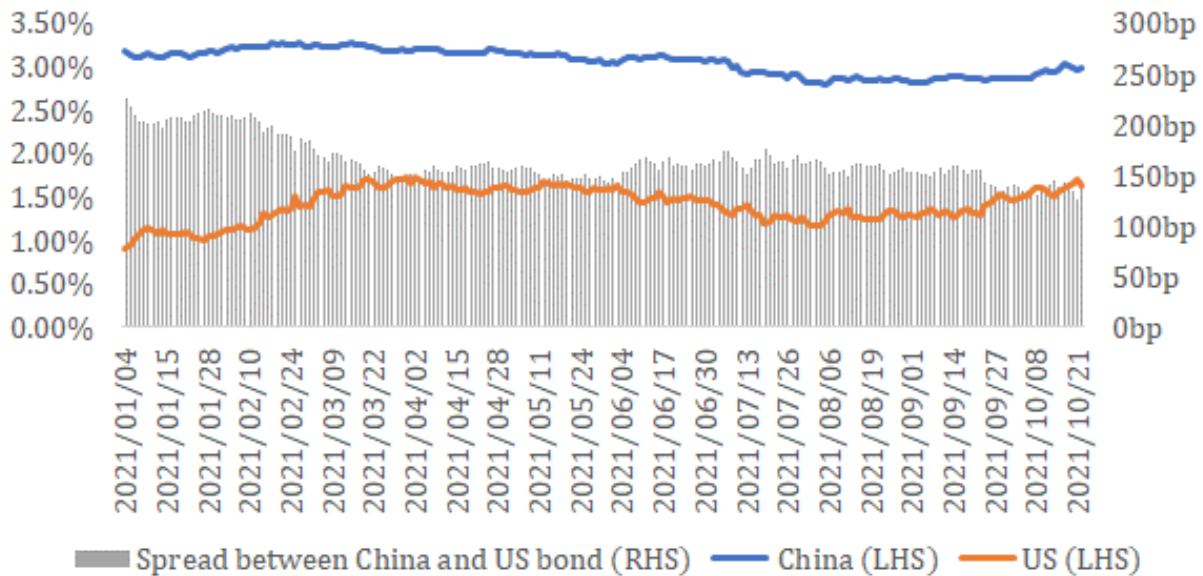
Figure 3 : US Treasury yields and yield spreads



Sources: US Department of the Treasury, CCX research

As of October 22, the yield spread between China and US 10-year note was 136.3bp, narrowing by 3.5bp from last Friday and narrowing by 90.2bp 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 significantly increased, financial institutions were the largest issuers

From October 18 to October 22, there were 27 new issues with a total issued volume of USD16.7 billion. Among them, financial institutions were the largest issuers, which issued 9 bonds, with a total issued volume of USD11.2 billion.

Table 1 : New issuance of Chinese offshore bonds (20211018-20211022)

Pricing Date	Obligor	Currency	Amount (million)	Coupon (%)	Maturity	Tenor	Industry	Issuer Rating (Moody's/S&P/Fitch)	Issue Rating (Moody's/S&P/Fitch)
2021/10/18	Guotai Junan International Holdings Ltd	HKD	400	0.5	2022/4/25	182D	Financials	Baa2/BBB+/-	-/-
2021/10/18	Guotai Junan International Holdings Ltd	HKD	400	0.6	2022/7/25	273D	Financials	Baa2/BBB+/-	-/-
2021/10/18	Shanghai Land Group Co Ltd	CNY	750	3.7	2024/10/20	3	Real Estate	-/-	-/-
2021/10/18	Wuxi Huishan Hi-Tech Co Ltd	USD	45	3.8	2022/10/21	364D	Chengtou	-/-	-/-
2021/10/19	Chengdu Hi-tech Investment Group Co Ltd	USD	300	2.7	2026/10/28	5	Chengtou	Baa3/-/BBB	Baa3/-/BBB
2021/10/19	China Shandong Hi-Speed Financial Group Ltd	USD	20	2.8	2022/10/21	364D	Financials	-/-/BBB+	-/-
2021/10/19	China Shandong Hi-Speed Financial Group Ltd	USD	40	2.8	2022/10/21	364D	Financials	-/-/BBB+	-/-
2021/10/19	CITIC Securities International Co Ltd	USD	10,000	0.000001	2022/2/25	122D	Financials	-/BBB+/-	-/-
2021/10/19	Rudong County Jinxin Transportation Engineering Construction Investment Co Ltd	USD	80	2.68	2024/10/22	3	Chengtou	-/-	-/-
2021/10/19	Shimao Services Holdings Ltd	HKD	3,110	2.25	2022/10/31	363D	Real Estate	-/-	-/-
2021/10/20	Guotai Junan International Holdings	HKD	400	0.5	2022/4/27	182D	Financials	Baa2/BBB+/-	-/-

Ltd									
2021/10/20	Hualu Holdings Co Ltd	USD	300	2.2	2026/10/27	5	Financials	A3/-/A-	A3/-/A-
2021/10/20	Hunan Xiangjiang New Area Development Group Co Ltd	USD	330	2.65	2026/10/27	5	Chengtou	Baa3/-/BBB	Baa2/-/-
2021/10/20	Nanjing Lishui Economic and Technological Development Group Co Ltd	USD	67	1.95	2022/10/24	364D	Chengtou	-/-/-	-/-/-
2021/10/20	Sino-Ocean Group Holding Ltd	USD	350	6	2022/10/25	364D	Financials	Baa3/-/BBB-	-/-/-
2021/10/21	Far East Horizon Ltd	USD	300	4.25	2026/10/26	5	Financials	-/BBB/-	-/-/-
2021/10/21	Huzhou City Investment Development Group Co Ltd	USD	200	2.95	2026/10/28	5	Chengtou	Baa3/-/BBB-	-/-/BBB
2021/10/21	Ninghai City Investment Group	USD	100	3.3	2024/10/26	3	Chengtou	-/-/-	-/-/-
2021/10/21	Zhaoqing Guolian Investment Holdings Co Ltd	USD	300	2.68	2024/10/26	3	Chengtou	Baa3/-/BBB-	Baa3/-/BBB-
2021/10/21	Industrial & Commercial Bank of China Ltd/Luxembourg	EUR	500	0.13	2024/10/28	3	Banks	A1/A/A	-/-/-
2021/10/21	Industrial & Commercial Bank of China Ltd/London	GBP	250	1.63	2025/12/28	4.17	Banks	A1/A/A	-/-/-
2021/10/21	Industrial & Commercial Bank of China Ltd/Singapore	USD	1,050	1	2024/10/28	3	Banks	A1/A/A	-/-/-
2021/10/21	Industrial & Commercial Bank of China Ltd/Hong Kong	USD	1,000	1.63	2026/10/28	5	Banks	A1/A/A	-/-/-
2021/10/21	Industrial & Commercial Bank of China Ltd/Macau	MOP	2,000	0.6	2023/10/28	2	Banks	A1/A/A	-/-/-
2021/10/22	Chongqing Southern New City Industrial Investment Group Co Ltd	USD	200	5.45	2024/10/29	3	Chengtou	-/-/-	-/-/-
2021/10/22	Hebei Shunde Investment Group Co Ltd	USD	75	2	2024/10/28	3	Chengtou	-/-/-	-/-/-
2021/10/22	Xi'an Aerospace City Development Holding Group Co Ltd	USD	48	3.5	2024/10/29	3	Chengtou	-/-/-	-/-/-

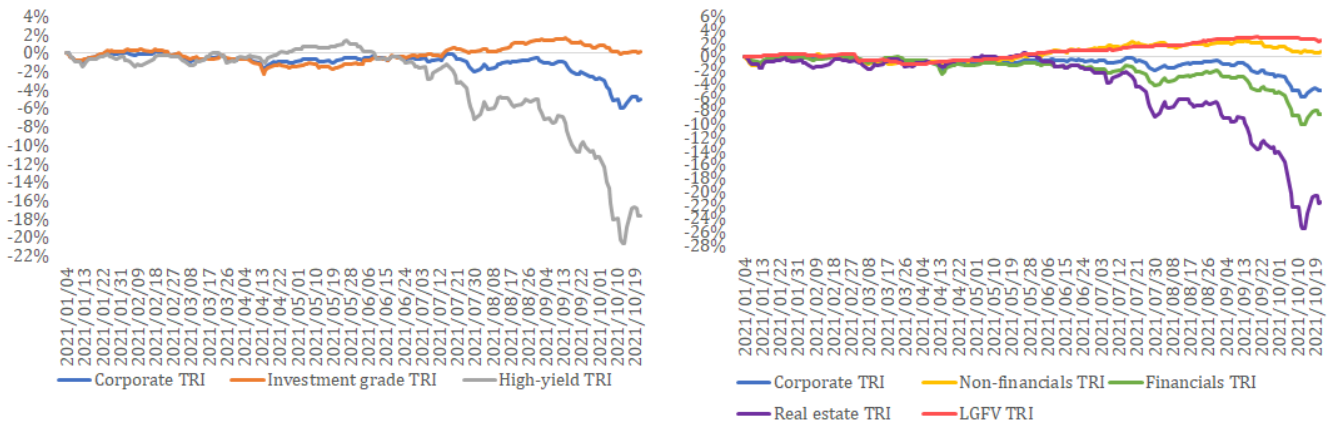
Sources: Bloomberg, CCX research

Secondary Market: Returns on Chinese USD bonds rose, real estate bonds had the biggest gain

As of October 22, the YTD return¹ on Chinese USD corporate bond index increased by 39bp from last Friday to -5.01%. The return on investment-grade bond rose by 7bp to 0.10%, and the return on high-yield bond increased by 120bp to -17.67%. In terms of sector indices, real estate bonds had the biggest gain, which rose 163bp from last Friday to -21.63%; The return on financial bonds increased by 66bp to -8.49%. The return on Chengtou and non-financial bonds decreased by 25bp and 4bp from last Friday to 2.35% and 0.66%, respectively.

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

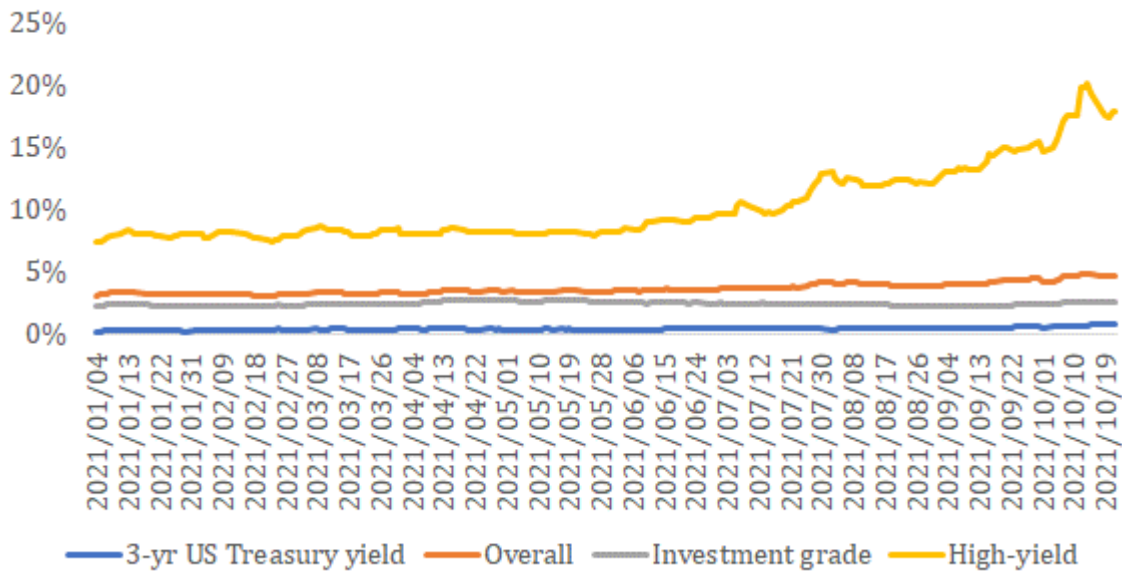
¹ Year-to-date return measures the return since January 4, 2021



Sources: Bloomberg, CCX research

As of October 10, the yield-to-worst of Chinese dollar bonds decreased by 14bp to 4.63% from last Friday, of which investment grade bond index slightly decreased by 1bp to 2.54%, and high-yield bond index decreased by 147bp to 17.85%.

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



Sources: Bloomberg, CCX research

Rating Actions: CCXAP assigns first-time long-term credit rating of BBB_g- to Taizhou Huaxin Pharmaceutical Investment Co., Ltd., with stable outlook

On October 21, China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a first-time long-term credit rating of BBB_g- to Taizhou Huaxin Pharmaceutical Investment Co., Ltd. (“Huaxin”), with stable outlook.

Table 2 : CCXAP’s rating action (20211018-20211022)

Date	Entity	Issuer Rating	Rating Rationale
2021/10/21	Huaxin	BBB _g -	The credit rating is underpinned by the Company's (1) competitive advantage in primary land development and construction management businesses of the Taizhou Medical Zone; and (2) leading position in the sales and distribution of pharmaceutical products. However, the rating is also constrained by the Company's (1) large capital expenditure pressure; (2) high debt leverage, with contingent liability risks; and (3) weak liquidity profile.

Source: CCX research

From October 18 to October 22, the rating agencies took positive rating actions on 3 Chinese issuers, and took negative rating actions on 26 Chinese issuers.

Table 3 : Credit rating changes of cross-border bond market (20211018-20211022)

	Entity	Sector	Current Rating			Previous Rating			Rating Agency	Reason of Change
			Entity Rating	Outlook	Date	Entity Rating	Outlook	Date		
International Rating:										
Downgrade	Xinyuan Real Estate Co Ltd	Real Estate	CC	-	2021/10/20	RD	-	2021/10/8	Fitch	Default risk remains high
	China National Chemical Corp Ltd	Materials	A	STABLE	2021/10/21	A-	Rating Watch Positive	2021/5/10	Fitch	Linkages between ChemChina and Sinochem Holdings have strengthened
	Jiangsu Shagang Group Co Ltd	Materials	BBB-	POS	2021/10/22	BBB-	STABLE	2021/5/18	S&P	Strong operating performance
Downgrade	Jiayuan International Group Limited	Real Estate	B2	STABLE	2021/10/18	B2	POS	2021/4/13	Moody's	Challenging operating and funding conditions
	Zhongliang Holdings Group Co Ltd	Real Estate	B1	STABLE	2021/10/18	B1	POS	2021/3/29	Moody's	Challenging operating and funding conditions
	Yango Group Co Ltd	Real Estate	B2	NEG	2021/10/18	B1	STABLE	2020/1/23	Moody's	Weakened funding access and likely reducing liquidity buffer
	Golden Wheel Tiandi Holdings Co Ltd	Real Estate	Caa1	NEG	2021/10/18	B3	NEG	2021/4/30	Moody's	Weaker consumer sentiment amid tight funding conditions
	Greenland Holding Group Co Ltd	Real Estate	Ba2	Rating Watch Negative	2021/10/18	Ba1	NEG	2021/9/23	Moody's	Credit metrics and liquidity will weaken
	Greenland Hong Kong Holdings Ltd	Real Estate	Ba3	Rating Watch Negative	2021/10/18	Ba2	NEG	2021/9/23	Moody's	Credit metrics and liquidity will weaken
	Shinsun Holdings Group Co Ltd	Real Estate	B2	NEG	2021/10/18	B2	STABLE	2021/10/18	Moody's	Weaker consumer sentiment amid tight funding conditions
	Guangzhou R&F Properties Co Ltd	Real Estate	B3	NEG	2021/10/18	B2	Rating Watch Negative	2021/9/3	Moody's	Weak liquidity and high refinancing risks

R&F Properties HK Co Ltd	Real Estate	Caa1	NEG	2021/10/18	B3	Rating Watch Negative	2021/9/3	Moody's	Weak liquidity and high refinancing risks
Lanzhou Construction Investment Holding Group Co Ltd	Chengtou	Ba1	NEG	2021/10/18	Baa3	Rating Watch Negative	2021/9/30	Moody's	Weakened funding access
Kaisa Group Holdings Ltd	Real Estate	B2	Rating Watch Negative	2021/10/18	B1	STABLE	2019/5/15	Moody's	Liquidity will weaken and its refinancing risk will increase
China Aoyuan Group Ltd	Real Estate	B1	Rating Watch Negative	2021/10/18	B1	STABLE	2021/4/19	Moody's	Uncertainty over the company's ability to refinance maturing debt
Jiangsu Zhongnan Construction Group Co Ltd	Real Estate	B2	STABLE	2021/10/18	B1	STABLE	2020/9/16	Moody's	Financial metrics will weaken
Shimao Group Holdings Ltd	Real Estate	Ba1	STABLE	2021/10/19	Ba1	POS	2020/10/5	Moody's	Challenging operating and funding conditions
Sunac China Holdings Ltd	Real Estate	Ba3	STABLE	2021/10/19	Ba3	POS	2021/3/17	Moody's	Challenging operating and funding conditions
Redsun Properties Group Ltd	Real Estate	B2	STABLE	2021/10/19	B2	POS	2021/4/19	Moody's	Challenging operating and funding conditions
Powerlong Real Estate Holdings Limited	Real Estate	B1	STABLE	2021/10/19	B1	POS	2020/8/31	Moody's	Challenging operating and funding conditions
Jinke Property Group Co Ltd	Real Estate	B1	STABLE	2021/10/19	B1	POS	2021/4/12	Moody's	Challenging operating and funding conditions
China SCE Group Holdings Ltd	Real Estate	B1	STABLE	2021/10/19	B1	POS	2021/5/25	Moody's	Challenging operating and funding conditions
Zhengzhou Zhongrui Industrial Group Co Ltd	Real Estate	B3	NEG	2021/10/19	B3	STABLE	2019/12/20	Moody's	Contracted sales from its property business will fall
Ronshine China Holdings Ltd	Real Estate	B2	Rating Watch Negative	2021/10/19	B2	STABLE	2021/9/16	Moody's	Heightened refinancing risks
Yuzhou Group Holdings Co Ltd	Real Estate	B2	NEG	2021/10/19	B1	NEG	2021/3/23	Moody's	Weakened funding access
Sinic Holdings Group Co Ltd	Real Estate	SD	-	2021/10/19	CC	-	2021/10/4	S&P	Missed Bond Payment
Central China Real Estate Ltd	Real Estate	B1	NEG	2021/10/20	Ba3	NEG	2021/9/2	Moody's	Weakened funding access
Xinyuan Real Estate Co Ltd	Real Estate	RD	-	2021/10/20	C	-	2021/10/8	Fitch	Completion of its exchange offer
Central China Real Estate Ltd	Real Estate	B+	NEG	2021/10/20	BB-	STABLE	2020/12/30	Fitch	Weakened business profile and limited funding access
Times China Holdings Ltd	Real Estate	Ba3	NEG	2021/10/22	Ba3	STABLE	2021/4/22	Moody's	Weak credit metrics

Sources: Bloomberg, Wind, CCX research

Risk Event: Sinic Holdings defaulted on its USD bond

On October 18, Sinic Holdings (Group) Co. Ltd. ("Sinic Holdings") has failed to repay the interest and principal of its USD250 million offshore senior unsecured notes due on October 18, 2021, constituting a material default. The nonpayment of the offshore USD bond has triggered cross-default provisions, including two public bonds due in the first half of 2022, totaling USD460 million. The Company also has about US\$370 million in offshore private debt obligations that will likely see accelerated calls for repayment.

Panda Bond Market: China Power and GLP issued 2 new bonds altogether this week

On October 17, the seventh tranche of 2021 GLP China Holdings Limited Corporate Bond was successfully issued on the Shanghai Exchange Market. GLP raised RMB0.7 billion through the bond, with a tenor of 5 years and the coupon rate at 4.30 %.

On October 22, the first trench of 2021 China Power International Development Limited Green medium-term note were successfully issued on the China Interbank Market. China Power raised RMB1 billion with a tenor of 3 years, at the coupon rate of 3.39%.

Table 4 : New issuance of Panda Bond in 2021 (20210101-20211022)

Issuer	Amount (RMB billion)	Coupon (%)	Issue date	Maturity	Tenor	Bond Type	Issue Market	Local Rating Agency
China Power International Development Limited	1	3.39	2021/10/22	2024/10/22	3	MTN	China Interbank Market	Golden Credit Rating
GLP China Holdings Limited	0.7	4.3	2021/10/17	2026/10/17	5	Corporate Bond	Shanghai Exchange Market	Shanghai Brilliance Rating
Republic of Poland	3	3.20	2021/10/15	2024/10/15	3	International Institution Bond	China Interbank Market	China Chengxin
China Power International Development Limited	2	3.47	2021/10/13	2024/10/13	3	MTN	China Interbank Market	Golden Credit Rating
China Mengniu Dairy Company Limited	1.5	2.55	2021/9/28	2021/12/22	0.23	SCP	China Interbank Market	China Chengxin
Daimler International Finance BV	2	3.1	2021/9/27	2023/9/27	2	MTN	China Interbank Market	--
Daimler International Finance BV	2	3.1	2021/9/27	2024/9/27	3	MTN	China Interbank Market	--
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
SHC 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	China Chengxin

							Market	
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

Special Analysis: China Power International Development Limited

Issuer profile: China Power International Development Co., Ltd. (“China Power”) was incorporated in Hong Kong in March 2004 and listed on the main board of the Hong Kong Stock Exchange in October the same year. SPIC indirectly holds 60.04% of the issuer's share capital through its wholly-owned subsidiaries, China Power International and SPIC Hong Kong Asset Management Co., Ltd., making it the company's largest shareholder, and the remaining 39.96% of the share capital is held by the public. As of the end of 2020, China Power has 57 directly controlled subsidiaries, covering 14 provinces, municipalities or autonomous regions across the country. The company's business scope includes the construction and operation of power plants, the sale of electricity and heat, and the main business of electricity sales, of which thermal power generation is the main source of income. In 2018, 2019, and 2020, the main business income was RMB23.18 billion, RMB27.76 billion and RMB28.43 billion, an increase of 16.07%, 19.79% and 2.4% year-on-year respectively; net profits were RMB1.64 billion RMB2.20 billion, and RMB 2.93 billion respectively, the average net profit growth rate in the past three years was 31.73%. As of the end of 2020, the company's total assets were RMB155.9 billion, total equity was RMB110.2 billion, and the asset-liability ratio was 70.64%. China Power has a strong controlling shareholder; its scale of installed capacity continues to grow, with clean energy accounting for a relatively high proportion, and thermal power units of high quality. The company enjoys unblocked financing channels. However, it is also important to note that the impact of electricity price adjustment policies and coal price fluctuations may affect the company's profitability, and as projects under construction make progress, the company's investment and debt pressure may rise further.

Issuance history: China Power International Development Co., Ltd. is an early participant in the panda bond market. Since October 2016, except for 2017, there has been no issuance in the inter-bank market in China for the rest of the year. So far, a total of 12 bonds have been issued and a total of RMB16 billion has been raised. In terms of bond types, there are 7 MTNs, followed by 4 ultra-short-term bonds, and 1 short-term bonds. Correspondingly, with respect to tenor, MTNs are 3 years, CP 1 year and SCP less than 1 year. The issuance amount is mainly RMB2 billion and RMB500 million. From the perspective of issuance costs, the overall trend is rising first and then falling. The peak value is the medium-term notes on November 18, 2020, with a spread of 154bp, and the lowest appeared with the 2019 SCP, the spread is 21bp. The bond this week has a coupon rate of 3.39%, and the spread is 73bp, slightly lower than the average 77bp. This bond is China Power's first issuance of green bonds, and the funds raised will be used to repay the issuer's inventory of clean energy power generation projects.

Table 5: Historical Issuance of China Power in the Panda Bond Market

No.	Issuer	Issue date	Maturity	Tenor	Amount (RMB billion)	Coupon (%)	Spread (BP)	Use of Proceeds	Bond Type	Issue Market
1	China Power International Development Limited	2021/10/22	2024/10/22	3	1	3.39	73	Used to repay outstanding debt of the issuer's clean energy power generation projects	MTN	China Interbank Market
2	China Power International Development Limited	2021/10/13	2024/10/13	3	2	3.47	84	Used in China to repay the principal of outstanding bonds of the issuer's parent company	MTN	China Interbank Market
3	China Power International Development Limited	2021/8/3	2022/3/1	0.58	0.5	2.63	69	Mainly used to repay existing bonds	SCP	China Interbank Market
4	China Power International Development Limited	2021/4/23	2024/4/23	3	2	3.54	80	Of which, RMB800 million used overseas to repay the outstanding Renminbi borrowings of the issuer's parent company from overseas financial institutions; RMB1.2 billion was used domestically to replenish liquidity for the issuer's parent company and subsidiaries and to repay outstanding financial institutions' borrowings	MTN	China Interbank Market
5	China Power International Development Limited	2021/2/8	2021/8/6	0.50	0.5	3.20	72	Mainly used to repay outstanding bonds	SCP	China Interbank Market
6	China Power International Development Limited	2020/11/18	2023/11/18	3	1.5	4.60	154	Mainly used to optimize the debt structure and to repay the subsidiaries	MTN	China Interbank Market
7	China Power International Development Limited	2020/11/5	2023/11/5	3	1.5	4.35	139	Used to repay the outstanding debts from financial institutions and to supplement operating funds.	MTN	China Interbank Market

8	China Power International Development Limited	2020/5/29	2021/2/23	0.74	0.5	2.00	40	Mainly used to optimize the debt structure and to repay the subsidiaries	SCP	China Interbank Market
9	China Power International Development Limited	2019/9/5	2022/9/5	3	2	3.55	79	Used to repay outstanding debts from financial institutions and to supplement operating funds.	MTN	China Interbank Market
10	China Power International Development Limited	2019/9/3	2020/5/30	0.74	0.5	2.80	21	Mainly used to optimize the debt structure and repay the principal of the issuer's maturing SCP	SCP	China Interbank Market
11	China Power International Development Limited	2018/10/15	2021/10/15	3	2	4.15	94	Mainly used to optimize debt structure and repay outstanding domestic debt	MTN	China Interbank Market
12	China Power International Development Limited	2016/10/17	2017/10/17	1	2	2.80	22	Subsidiary stock financing	CP	China Interbank Market

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