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From August 15 to August 19

Chinese offshore bond issuance increased; return on Chinese USD bond rose

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Headline: UK inflation reached double digits; Central Bank of Turkey cut interest rate

On August 15, preliminary statistics from the Cabinet Office of Japan showed that due to the easing of the pandemic and the recovery of consumer spending, the Japanese economy rebounded in the second quarter, recording a quarter-on-quarter growth of 0.5%, but the outlook was still uncertain. On August 16, the Office for National Statistics of the United Kingdom announced that the UK's CPI in July increased by 10.1% year-on-year, the growth rate hit a new high record since February 1982, and the UK became the first G7 member with double-digit inflation. On August 18, Eurostat announced that inflation in the eurozone hit a new record of 8.9% year-on-year in July, due to rising energy and food prices. On the same day, the Central Bank of Turkey announced that it would cut the benchmark interest rate by 100bp to 13%, the first time this year in Turkey, and the exchange rate of the Turkish lira against the US dollar immediately rose to a record high.

Exchange Rate: RMB exchange rate fluctuated upward

This week, the RMB exchange rate fluctuated upward. As of August 19th, the RMB mid-point rate closed at 6.8065, rose by 652bp compared with exchange rate on last Friday.

Interest Rate: China Government Bond yields fluctuated downward; US Treasury yield increased

This week, China Government Bond yields fluctuated downward. The 1-year China Government Bond yield dropped by 8.67bp compared with yield on last Friday. US Treasury yields rose as fear of recession amid hawkish rate hikes. As of August 19, the yield spread between China and US 10-year note was -38.5bp, widening by 28.8bp from last Friday and narrowing by 76.3bp from the beginning of the year.

Chinese Offshore Bond Market**Primary Market: Chinese offshore bond issuance increased**

From August 15 to August 19, there were 16 new issues with a total issued volume of about USD1.3 billion, increasing by 31.6% from last week. Among them, Lenovo Group Ltd was the biggest issuer, which issued total amount of about USD680 million.

Secondary Market: Return on Chinese USD bond rose

As of August 19, the YTD return on Chinese USD corporate bond index rose by 40bp from last Friday to -11.39%. The return on investment-grade bonds rose by 13bp to -7.28%, and the return on high-yield bonds rose by 160bp to -27.14%. In terms of sector indices, the return on real estate bonds had the largest increase, rose by 386bp from last Friday to -41.06%.

Rating Action: CCXAP assigns first-time long-term credit rating of BBB_g to Zhenjiang Transportation Industry Group Co., Ltd, with stable outlook; BBB_g- to Chuzhou Economic and Technological Development General Corporation, with stable outlook

Credit event: Tus-Holdings defaulted on offshore bonds

Panda Bond Market

China Mengniu Dairy Company Limited issued one panda bond

Issuer Analysis: China Mengniu Dairy Company Limited

Headline: UK inflation reached double digits; Central Bank of Turkey cut interest rate

On August 15, preliminary statistics from the Cabinet Office of Japan showed that Japan’s GDP rose by 0.5% from the previous quarter, with annual increase of 2.2%. Due to the easing of the pandemic and the recovery of consumer spending, the Japanese economy rebounded in the second quarter, but the outlook was still uncertain.

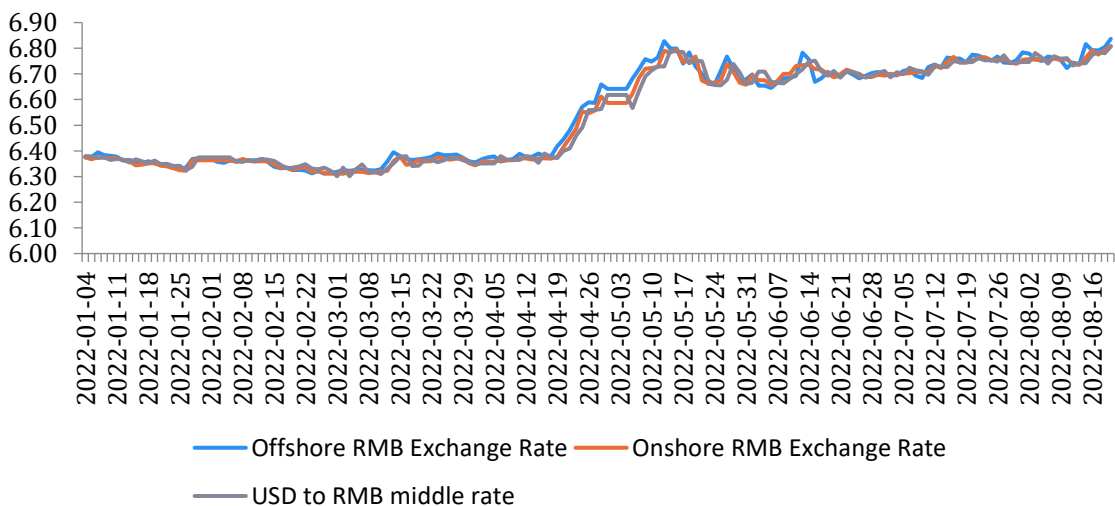
On August 16, the Office for National Statistics of the United Kingdom announced that the UK’s CPI in July increased by 10.1% year-on-year, the previous value was 9.4%. The growth rate hit a new high record since February 1982, and the UK became the first G7 member with inflation reaching double-digit.

On August 18, Eurostat announced that eurozone’s inflation in July rose 0.1% month-on-month, and rose 8.9% year-on-year, the highest level since the official launch of the euro in 1999, due to rising energy and food prices. On the same day, the Central Bank of Turkey announced that it would cut the benchmark interest rate by 100bp to 13%, the first time this year in Turkey, and the exchange rate of the Turkish lira against the US dollar immediately rose to a record high. After cutting the main rate by 500bp at the end of last year, Turkey’s central bank has kept the main interest rate at 14% for the past seven months. The easing policy sparked a currency crisis in December, causing inflation to soar. Inflation in Turkey is currently close to 80%, the highest in 24 years.

Exchange Rate: The RMB exchange rate fluctuated upward

This week, the RMB exchange rate fluctuated upward. As of August 19th, the RMB mid-point rate closed at 6.8065, rose by 652bp compared with the rate on last Friday; the onshore RMB exchange rate rose by 739bp to 6.8088 compared with the rate on last Friday; the offshore RMB exchange rate rose by 982bp to 6.8364 compared with the rate on last Friday.

Figure 1 : RMB exchange rate



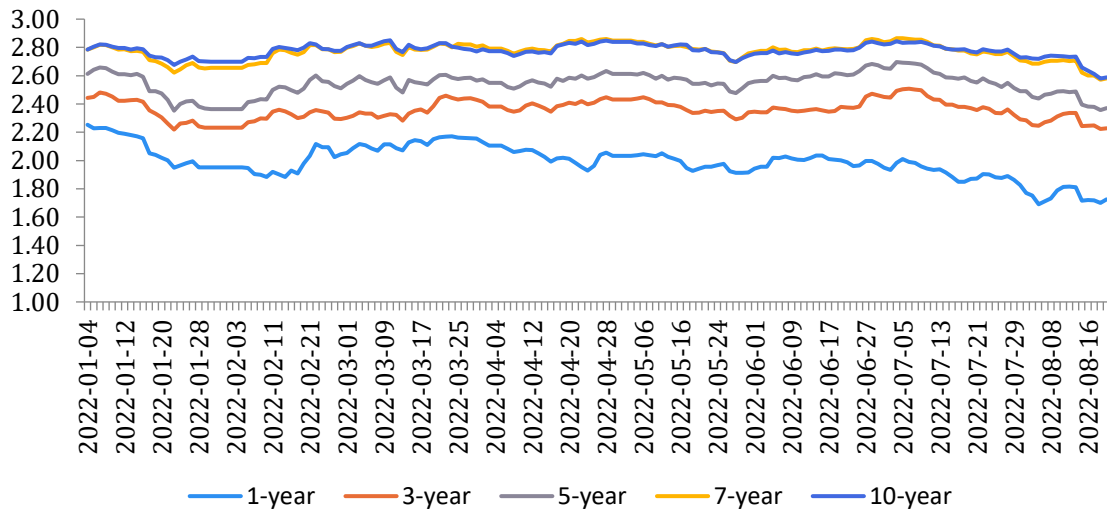
Sources: Wind, CCX research

Interest Rate: China Government Bond yields fluctuated downward; US Treasury yield

increased

The China Government Bond yields fluctuated downward this week. As of August 19th, the 1-year, 3-year, 5-year, 7-year and 10-year China Government Bond yields declined by 8.67bp, 10.79bp, 11.84bp, 12.60bp and 14.72bp since last Friday and closed at 1.7248%, 2.2279%, 2.3708%, 2.5812% and 2.5875% respectively.

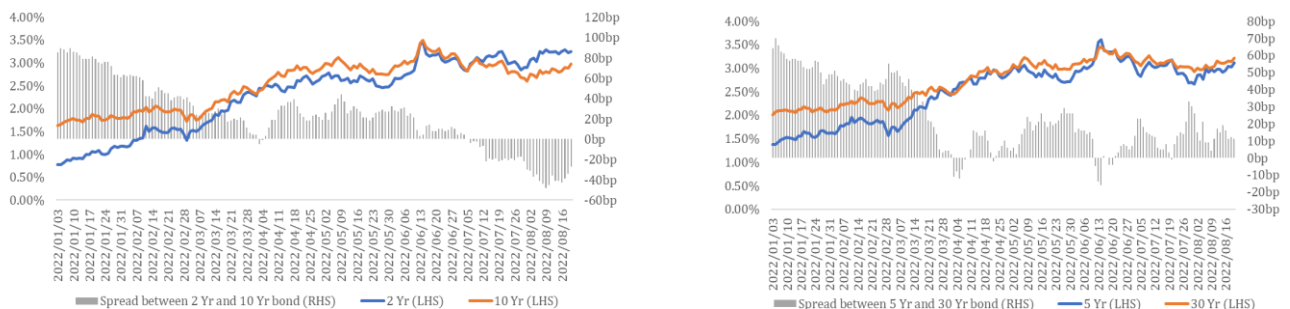
Figure 2: China Government Bond yields



Sources: ChinaBond.com.cn, CCX research

US Treasury yields rose as fear of recession intensified amid hawkish rate hikes. As of August 19, the 2-year US Treasury yields was 3.25%, unchanged from last Friday. 5-year, 10-year and 30-year yields were 3.11%, 2.98% and 3.22%, increasing by 14bp, 14bp and 10bp from last Friday, respectively. In terms of US Treasury bond spreads, the 2-year and 10-year Treasury bond spreads were -27bp, decreasing by 14bp from last Friday; while the 5-year and 30-year Treasury bond spreads decreased by 4bp to 11bp from last Friday.

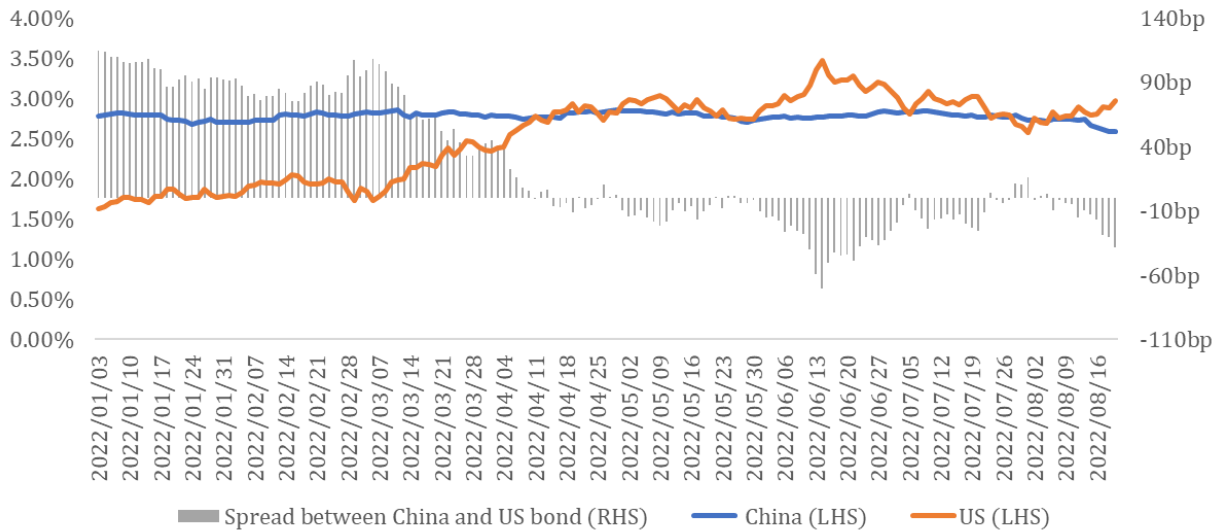
Figure 3 : US Treasury yields and yield spreads



Sources: US Department of the Treasury, CCX research

As of August 19, the yield spread between China and US 10-year note was -38.5bp, widening by 28.8bp from last Friday and narrowing by 76.3bp 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 increased

From August 15 to August 19, there were 16 new issues with a total issued volume of about USD1.3 billion, increasing by 31.6% from last week. Among them, Lenovo Group Ltd was the biggest issuer, which issued total amount of about USD680 million.

Table 1 : New issuance of Chinese offshore bonds (20220815-20220819)

| Pricing Date | Obligor | Currency | Amount (million) | Coupon (%) | Maturity | Tenor | Industry | Issuer Rating (Moody's/S&P/Fitch) | Issue Rating (Moody's/S&P/Fitch) |
|--------------|---|----------|------------------|------------|-----------|-------|-------------|-----------------------------------|----------------------------------|
| 2022/8/15 | China International Capital Corp Hong Kong Ltd | USD | 2 | 1.2 | 2022/9/22 | 31D | Financials | Baa1/BBB+/BBB+ | -/BBB+/- |
| 2022/8/16 | CITIC Securities International Co Ltd | USD | 0.3 | 14.58 | 2023/1/4 | 127D | Financials | -/BBB+/- | -/-/- |
| 2022/8/16 | Guangzhou Industrial Investment Fund Management Co Ltd. | USD | 41 | 6 | 2023/8/18 | 1 | Financials | -/-/A- | -/-/- |
| 2022/8/16 | Tianjin Lingang Investment Holding Co Ltd | USD | 41 | 5.5 | 2025/8/19 | 3 | Chengtou | -/-/- | -/-/- |
| 2022/8/17 | CITIC Securities International Co Ltd | USD | 0.2 | 10 | 2022/12/2 | 93D | Financials | -/BBB+/- | -/-/- |
| 2022/8/17 | CITIC Securities International Co Ltd | USD | 0.2 | 12 | 2022/12/2 | 93D | Financials | -/BBB+/- | -/-/- |
| 2022/8/17 | Lenovo Group Ltd | USD | 675 | 2.5 | 2029/8/26 | 7 | Technology | Baa2/BBB-/BBB | Baa2/-/- |
| 2022/8/17 | Longnan Tourism Development And Investment Group Co Ltd | USD | 96 | 6 | 2025/7/24 | 2.92 | Industrials | -/-/- | -/-/- |
| 2022/8/17 | Xi'an Weiyang Urban Construction Group Co Ltd | USD | 74.5 | 5.1 | 2025/8/24 | 3 | Chengtou | -/-/- | -/-/- |
| 2022/8/18 | CITIC Securities International Co Ltd | USD | 0.3 | 21 | 2023/1/5 | 97D | Financials | -/BBB+/- | -/-/- |
| 2022/8/18 | CITIC Securities International Co Ltd | USD | 0.2 | 11.98 | 2023/1/5 | 126D | Financials | -/BBB+/- | -/-/- |
| 2022/8/18 | CITIC Securities International Co Ltd | USD | 0.2 | 12.33 | 2023/1/5 | 126D | Financials | -/BBB+/- | -/-/- |
| 2022/8/18 | Haitong International Securities Group Ltd | USD | 51 | 4.1 | 2023/8/24 | 363D | Financials | Baa2/BBB/- | -/-/- |
| 2022/8/18 | Haitong International Securities Group Ltd | USD | 20 | 4.25 | 2023/8/23 | 1 | Financials | Baa2/BBB/- | -/-/- |

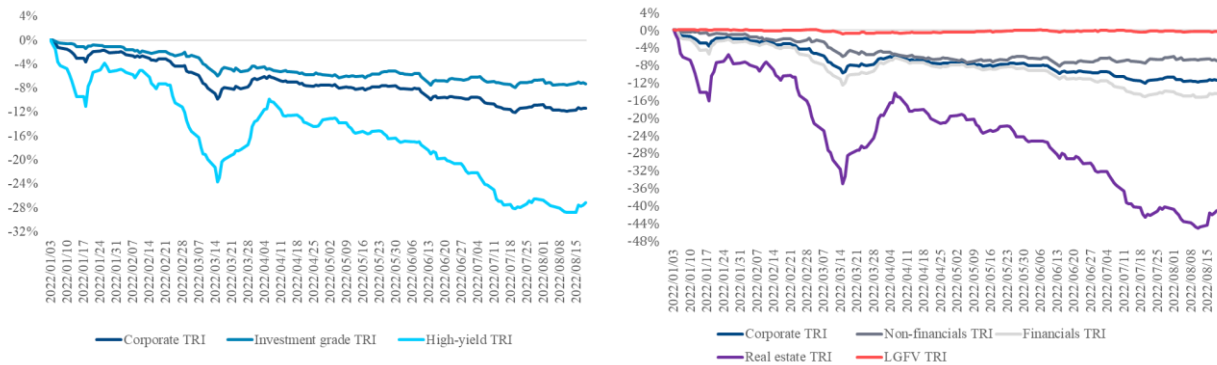
| | | | | | | | | | |
|-----------|--|-----|-----|------|-----------|------|------------|-------------|----------|
| 2022/8/19 | Changde Urban Construction and Investment Group Co Ltd | USD | 200 | 5.7 | 2025/8/26 | 3 | Chengtou | -/-/BBB- | -/-/BBB- |
| 2022/8/19 | Guotai Junan International Holdings Ltd | USD | 50 | 3.95 | 2023/8/24 | 363D | Financials | Baa2/BBB+/- | -/-/- |

Sources: Bloomberg, CCX research

Secondary Market: Return on Chinese USD bond increased

As of August 19, the YTD return¹ on Chinese USD corporate bond index rose by 40bp from last Friday to -11.39%. The return on investment-grade bonds rose by 13bp to -7.28%, and the return on high-yield bonds rose by 160bp to -27.14%. In terms of sector indices, the return on real estate bonds had the largest increase, rising by 386bp from last Friday to -41.06%; The return on financial bonds was -14.44%, increasing by 84bp; The returns on non-financial and Chengtou bonds were -6.99% and -0.41%, decreasing by 23bp and 9bp from last Friday, respectively.

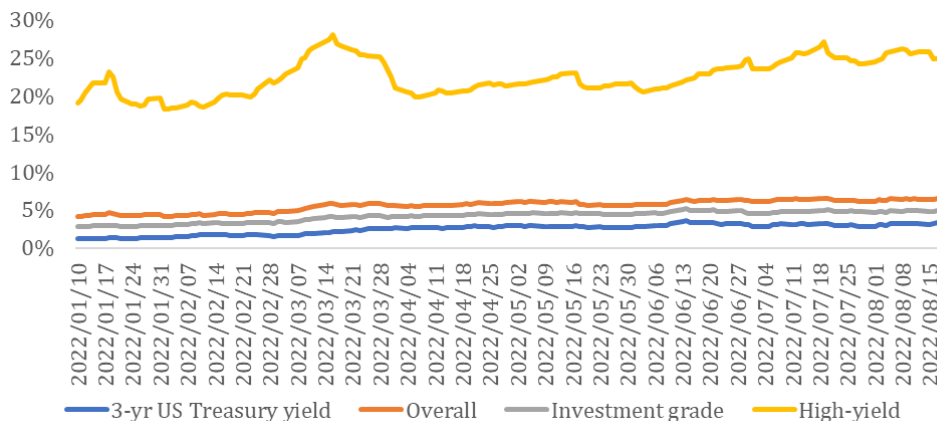
Figure 5 : YTD return on Markit IBoxx Chinese USD bond index



Sources: Bloomberg, CCX research

As of August 19, the yield-to-worst of Chinese dollar bonds increased by 2bp to 6.45% from last Friday, of which investment grade bond index increased by 5bp to 4.91% while high-yield bond index decreased by 110bp to 24.58%.

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



Sources: Bloomberg, CCX research

¹ Year-to-date return measures the return since January 3, 2022

Rating Action: CCXAP assigns first-time long-term credit rating of BBB_g to Zhenjiang Transportation Industry Group Co., Ltd, with stable outlook; BBB_g- to Chuzhou Economic and Technological Development General Corporation, with stable outlook

On August 17, China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a first-time BBB_g long-term credit rating of Zhenjiang Transportation Industry Group Co., Ltd. (“ZJTI”), with stable outlook.

On August 19, CCXAP has assigned a first-time BBB_g- long-term credit rating of Chuzhou Economic and Technological Development General Corporation (“CETD”), with stable outlook.

Table 2: Rating Action of CCXAP (20220815-20220819)

| Date | Entity | Issuer Rating | Rating Rationale |
|-----------|--------|--------------------|--|
| 2022/8/17 | ZJTI | BBB _g | The credit rating is underpinned by the Company’s (1) full ownership and ultimate control by Zhenjiang Municipal Government; (2) strong policy role in the development of Zhenjiang City, undertaking major local transportation infrastructure constructions; (3) good track record of receiving government payments; and (4) diversified and stable funding sources. However, the Company’s rating is constrained by its (1) moderate debt management with short-term debt burden; and (2) high contingent liability risk. |
| 2022/8/19 | CETD | BBB _g - | The credit rating is underpinned by the Company’s (1) important role in undertaking public policy projects within Chuzhou ETDZ; and (2) good track record of receiving government payments. However, the Company’s rating is constrained by (1) moderate exposure to commercial business; and (2) fast debt growth. |

Sources: CCX research

From August 17 to August 19, rating agencies took negative action on 5 Chinese issuers, of which 3 Chinese real estate companies were downgraded.

Table 3: Credit rating changes of cross-border bond market (20220815-20220819)

| | Entity | Sector | Current Rating | | | Previous Rating | | | Rating Agency | Reason of Change |
|------------------------------|---|-------------|----------------|---------|-----------|-----------------|---------|-----------|---------------|------------------------------------|
| | | | Entity Rating | Outlook | Date | Entity Rating | Outlook | Date | | |
| International Rating: | | | | | | | | | | |
| Downgrade | Country Garden Holdings Co Ltd | Real Estate | BB+ | RWN | 8/15/2022 | BBB- | RWN | 6/8/2022 | Fitch | Weakening in financial flexibility |
| | Central China Real Estate Ltd | Real Estate | CCC+ | NEG | 8/16/2022 | B- | RWN | 7/15/2022 | S&P | Tight liquidity |
| | Shanghai Electric Holding Group Co Ltd & Shanghai Electric Group Co Ltd | Industrials | Baa3 | NEG | 8/17/2022 | Baa2 | RWN | 5/27/2022 | Moody's | Debt leverage remains high |

| | | | | | | | | | |
|---------------------------------------|-------------|------|-----|-----------|------|--------|------------|---------|--|
| Sino-Ocean Group Holding Ltd | Real Estate | BB+ | RWN | 8/18/2022 | BBB- | NEG | 11/18/2021 | Fitch | High leverage and deteriorated financial flexibility |
| China Huarong Asset Management Co Ltd | financial | Baa2 | RWN | 8/19/2022 | Baa2 | STABLE | 4/11/2022 | Moody's | Issued a profit warning |

Sources: Bloomberg, Wind, CCX research

Credit event: Tus-Holdings defaulted on offshore bonds

On August 12, Tuspark forward Ltd ("Tuspark") announced that due to a series of negative factors, Tus Holdings Co., Ltd. ("Tus-Holdings"), the parent guarantor of its USD bond, is still under continued pressure and is expected to have insufficient funds to pay the interest and principal amounts of THSCPA 7.95 05/13/24 and THSCPA 6.95 05/13/24 on August 15. Both USD bonds were issued by Tuspark, and Tus-Holdings provided unconditional and irrevocable guarantees.

On August 15, Tus-Holdings failed to pay the principal and interest of two USD bonds with a total amount of USD950 million, which constituted an event of default.

Panda Bond Market

China Mengniu Dairy Company Limited issued one panda bond

On August 17th, China Mengniu Dairy Company Limited successfully issued the sixth tranche of super and short-term commercial paper in 2022 in the inter-bank bond market, with a term of 0.31 year, raising funds of 2.9 billion RMB, and a coupon rate of 1.60%.

Table 3 : New issuance of Panda Bond in the Year 2022 (20220103-20220819)

| Issuer | Amount (RMB billion) | Coupon (%) | Issue date | Maturity | Tenor | Bond Type | Issue Market | Local Rating Agency |
|---|----------------------|------------|------------|-----------|-------|-----------|------------------------|----------------------|
| China Mengniu Dairy Company Limited | 2.9 | 1.60 | 2022/8/17 | 2022/12/9 | 0.31 | SCP | China Interbank Market | China Chengxin |
| Yuexiu Transport Infrastructure Limited | 0.5 | 1.77 | 2022/8/8 | 2023/4/28 | 0.72 | SCP | China Interbank Market | China Chengxin |
| China Mengniu Dairy Company Limited | 2.5 | 1.75 | 2022/8/5 | 2022/12/5 | 0.34 | SCP | China Interbank Market | China Chengxin |
| China Mengniu Dairy Company Limited | 2.5 | 1.75 | 2022/8/4 | 2022/11/2 | 0.25 | SCP | China Interbank Market | China Chengxin |
| China Power International Development Limited | 1 | 1.75 | 2022/7/26 | 2023/1/22 | 0.49 | SCP | China Interbank Market | Golden Credit Rating |
| China Power International Development Limited | 2 | 2.87 | 2022/7/22 | 2025/7/22 | 3 | MTN | China Interbank Market | Golden Credit Rating |
| ANTA Sports Products Limited | 0.5 | 2.8 | 2022/7/13 | 2025/7/13 | 3 | MTN | China Interbank Market | Shanghai Brilliance |

| | | | | | | | | | Rating |
|---|-----|------|-----------|------------|------|--------------------------------|------------------------|----------------------------|--------|
| China Power International Development Limited | 2 | 2.99 | 2022/6/20 | 2025/6/20 | 3 | MTN | China Interbank Market | Golden Credit Rating | |
| Mercedes-Benz International Finance B.V. | 3 | 3.25 | 2022/6/20 | 2025/6/20 | 3 | MTN | China Interbank Market | China Chengxin | |
| Mercedes-Benz International Finance B.V. | 1 | 2.98 | 2022/6/20 | 2024/6/20 | 2 | MTN | China Interbank Market | China Chengxin | |
| China Everbright Limited | 3 | 3.09 | 2022/6/17 | 2025/6/17 | 3 | MTN | China Interbank Market | China Chengxin | |
| China Power International Development Limited | 1 | 2.1 | 2022/6/15 | 2023/3/12 | 0.74 | SCP | China Interbank Market | Golden Credit Rating | |
| China Power International Development Limited | 2 | 3 | 2022/6/14 | 2025/6/14 | 3 | MTN | China Interbank Market | Golden Credit Rating | |
| China Everbright Water Limited | 7 | 3.3 | 2022/6/13 | 2025/6/13 | 3 | MTN | China Interbank Market | Shanghai Brilliance Rating | |
| Hengan International Group Co., Ltd | 1 | 2.1 | 2022/6/10 | 2022/12/7 | 0.49 | CP | China Interbank Market | China Chengxin | |
| China Everbright Greentech Limited | 0.7 | 3.35 | 2022/5/27 | 2025/5/27 | 3 | MTN | China Interbank Market | Lianhe Credit Rating | |
| Asian Infrastructure Investment Bank | 1.5 | 2.4 | 2022/5/26 | 2025/5/26 | 3 | International Institution Bond | China Interbank Market | - | |
| Yuexiu Transport Infrastructure Limited | 0.5 | 2.1 | 2022/5/23 | 2023/2/17 | 0.74 | MTN | China Interbank Market | China Chengxin | |
| New Development Bank | 7 | 2.70 | 2022/5/20 | 2025/5/20 | 3 | International Institution Bond | China Interbank Market | - | |
| China Everbright Environment Group Limited | 1.5 | 3.47 | 2022/4/20 | 2025/4/20 | 3 | MTN | China Interbank Market | Lianhe Credit Rating | |
| China Everbright Water Limited | 1 | 3.10 | 2022/4/18 | 2022/4/18 | 3 | MTN | China Interbank Market | Shanghai Brilliance Rating | |
| China Everbright Greentech Limited | 1.2 | 3.27 | 2022/4/8 | 2027/4/8 | 5 | MTN | China Interbank Market | Lianhe Credit Rating | |
| China Mengniu Dairy Company Limited | 2.5 | 2.2 | 2022/3/22 | 2022/6/10 | 0.22 | SCP | China Interbank Market | China Chengxin | |
| China Traditional Chinese Medicine Holdings Co. Limited | 1 | 2.32 | 2022/3/21 | 2022/10/17 | 0.58 | SCP | China Interbank Market | China Chengxin | |
| Yuexiu Transport Infrastructure Limited | 1 | 3.28 | 2022/3/18 | 2027/3/18 | 5 | MTN | China Interbank Market | China Chengxin | |
| Hengan International Group Co., Ltd | 1.5 | 2.4 | 2022/3/18 | 2022/9/14 | 0.49 | CP | China Interbank Market | China Chengxin | |

| | | | | | | | | |
|--|-----|------|-----------|------------|------|--------------------------------|--------------------------|----------------------------|
| GLP China Holdings Limited | 1 | 4.3 | 2022/3/7 | 2025/3/7 | 3 | Corporate Bond | Shanghai Exchange Market | Shanghai Brilliance Rating |
| Hengan International Group Co., Ltd | 1 | 2.5 | 2022/3/3 | 2022/8/30 | 0.49 | CP | China Interbank Market | China Chengxin |
| Hengan International Group Co., Ltd | 1 | 2.5 | 2022/3/3 | 2022/8/30 | 0.49 | CP | China Interbank Market | China Chengxin |
| China Mengniu Dairy Company Limited | 2.5 | 2.33 | 2022/2/24 | 2022/5/25 | 0.25 | SCP | China Interbank Market | China Chengxin |
| BMW Finance N.V. | 1.5 | 2.89 | 2022/2/21 | 2024/2/21 | 2.00 | MTN | China Interbank Market | China Chengxin |
| BMW Finance N.V. | 2.5 | 3.1 | 2022/2/21 | 2025/2/21 | 3.00 | MTN | China Interbank Market | China Chengxin |
| China Traditional Chinese Medicine Co. Limited | 1 | 2.4 | 2022/2/18 | 2022/11/15 | 0.74 | SCP | China Interbank Market | China Chengxin |
| New Development Bank | 3 | 2.45 | 2022/1/27 | 2025/1/27 | 3 | International Institution Bond | China Interbank Market | - |
| China Mengniu Dairy Company Limited | 2.5 | 2.35 | 2022/1/24 | 2022/4/22 | 0.24 | SCP | China Interbank Market | China Chengxin |
| Beijing Enterprises Water Group Limited | 1 | 2.97 | 2022/1/21 | 2027/1/21 | 5 | MTN | China Interbank Market | Shanghai Brilliance Rating |
| Beijing Enterprises Water Group Limited | 1 | 3.38 | 2022/1/21 | 2027/1/21 | 5 | MTN | China Interbank Market | Shanghai Brilliance Rating |
| China Everbright Water Limited | 1 | 2.50 | 2022/1/13 | 2022/6/12 | 0.41 | SCP | China Interbank Market | Shanghai Brilliance Rating |
| Shenzhen International Holdings Limited | 1 | 2.95 | 2022/1/10 | 2028/1/10 | 6 | Corporate Bond | Shenzhen Exchange Market | Lianhe Credit Rating |

Sources: Bloomberg, CCX research

Issuer Analysis: China Mengniu Dairy Company Limited

Issuer profile: China Mengniu Dairy Company Limited was incorporated in the Cayman Islands in June 2002 and was listed in Hong Kong in June 2004 (stock code: 2319.HK). As of July 25, 2022, the Company has no beneficial owner or controlling shareholder. The Company's top three shareholders, COFCO Corporation Limited, FIL Limited and Brown Brothers Harriman & Co, hold 17.88%, 9.10% and 7.30% of the shares directly and indirectly. The Company's business scope is the production, processing and sale of dairy products, frozen beverages, edible ice, soft drinks, and dairy powder-based solid-formed products. By the end of 2021, the Company's annual production capacity of dairy products reached 11.66 million tons, ranking among the top 20 in the world's dairy industry for 13 consecutive years and among the top 10 globally for five consecutive years, and making it a leading dairy products supplier in China. By the end

of 2021, the production and sales of the Company's main business, dairy products, had formed four business segments of liquid milk, ice cream, milk powder and other products, contributing operating revenues of RMB 76.514 billion, RMB 4.240 billion, RMB 4.949 billion and RMB 2.438 billion respectively, representing year-on-year growth of 13%, 61%, 8% and 126%. The company had total assets of RMB 98.101 billion, gearing ratio of 57.19%, total revenue of RMB 88.148 billion, gross operating profit rate of 36.75%, net profit of RMB 4.964 billion, return on total assets rate of 7.42%, total capitalization rate of 39.16%, total debt/EBITDA of 3 and EBITDA interest coverage multiple of 12.12. In terms of strengths, the Company has obvious scale, brand and channel advantages and outstanding industry position; stable milk supply and great industry chain integration advantages; significantly higher profitability in 2021; unused bank credit balance of RMB 42.982 billion at the end of 2021, showing sufficient standby liquidity. There are also some aspects that need to be focused on. The Company's revenue may be affected by fluctuations in milk supply prices; strict national food safety standards; the risk of goodwill and trademark impairment if the operation of the acquired enterprises performs below expectations; the large scale of external entrusted loans, which will occupy certain funds. On July 28, 2022, China Mengniu Dairy Company Limited received a domestic credit rating of "AAA" with a stable outlook.

Issuance history: China Mengniu Dairy Company Limited entered the Panda Bond Market in 2019 and issued a total of 22 bonds, raising 36.9 billion RMB altogether. 21 super and short-term commercial papers and 1 medium-term note were issued in the Inter-bank Bond Market. The average coupon rate is 2.38% and the average spread is 48bp. The funds raised are mainly used to supplement working capital.

Table 4: Historical Issuance of China Mengniu Dairy Company Limited in the Panda Bond Market

| No. | Issue date | Maturity | Tenor | Amount (RMB billion) | Coupon (%) | Spread (BP) | Usage of Proceeds | Bond Type | Issue Market |
|-----|------------|------------|-------|----------------------|------------|-------------|----------------------------|-----------|-------------------|
| 1 | 2019/4/19 | 2019/12/30 | 0.70 | 1 | 3.35 | 69 | supplement working capital | SCP | Inter-bank Market |
| 2 | 2019/8/23 | 2020/2/19 | 0.49 | 1 | 2.96 | 44 | supplement working capital | SCP | Inter-bank Market |
| 3 | 2019/11/22 | 2022/11/22 | 3.00 | 1 | 3.67 | 85 | supplement working capital | MTN | Inter-bank Market |
| 4 | 2020/4/24 | 2020/11/20 | 0.57 | 1.5 | 1.80 | 78 | supplement working capital | SCP | Inter-bank Market |
| 5 | 2020/5/29 | 2020/11/25 | 0.49 | 0.5 | 1.61 | 6 | supplement working capital | SCP | Inter-bank Market |
| 6 | 2020/5/29 | 2020/11/25 | 0.49 | 1.5 | 1.61 | 6 | supplement working capital | SCP | Inter-bank Market |
| 7 | 2021/3/26 | 2021/6/24 | 0.25 | 2 | 2.50 | 50 | supplement working capital | SCP | Inter-bank Market |
| 8 | 2021/4/8 | 2021/6/25 | 0.21 | 1 | 2.50 | 59 | supplement working capital | SCP | Inter-bank Market |
| 9 | 2021/4/19 | 2021/6/25 | 0.18 | 1 | 2.50 | 64 | supplement working capital | SCP | Inter-bank Market |

| | | | | | | | | | Market |
|----|-----------|------------|------|-----|------|----|----------------------------|-----|-------------------|
| 10 | 2021/6/22 | 2021/12/16 | 0.48 | 0.8 | 2.65 | 45 | supplement working capital | SCP | Inter-bank Market |
| 11 | 2021/6/24 | 2021/9/17 | 0.23 | 1.2 | 2.50 | 53 | supplement working capital | SCP | Inter-bank Market |
| 12 | 2021/7/27 | 2021/12/9 | 0.38 | 2 | 2.60 | 85 | supplement working capital | SCP | Inter-bank Market |
| 13 | 2021/8/4 | 2021/10/29 | 0.24 | 0.5 | 2.50 | 66 | supplement working capital | SCP | Inter-bank Market |
| 14 | 2021/8/30 | 2021/11/19 | 0.22 | 2.5 | 2.55 | 47 | supplement working capital | SCP | Inter-bank Market |
| 15 | 2021/8/30 | 2021/11/26 | 0.24 | 2.5 | 2.55 | 47 | supplement working capital | SCP | Inter-bank Market |
| 16 | 2021/9/28 | 2021/12/22 | 0.23 | 1.5 | 2.55 | 53 | supplement working capital | SCP | Inter-bank Market |
| 17 | 2022/1/24 | 2022/4/22 | 0.24 | 2.5 | 2.35 | 55 | supplement working capital | SCP | Inter-bank Market |
| 18 | 2022/2/24 | 2022/5/25 | 0.25 | 2.5 | 2.33 | 37 | supplement working capital | SCP | Inter-bank Market |
| 19 | 2022/3/22 | 2022/6/10 | 0.22 | 2.5 | 2.20 | 19 | supplement working capital | SCP | Inter-bank Market |
| 20 | 2022/8/4 | 2022/11/2 | 0.25 | 2.5 | 1.75 | 34 | supplement working capital | SCP | Inter-bank Market |
| 21 | 2022/8/5 | 2022/12/5 | 0.34 | 2.5 | 1.75 | 33 | supplement working capital | SCP | Inter-bank Market |
| 22 | 2022/8/17 | 2022/12/9 | 0.31 | 2.9 | 1.60 | 17 | supplement working capital | SCP | Inter-bank Market |

Sources: Bloomberg, CCX research

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