

Asian Credit Strategy

China HY property weekly: What has happened and what to watch

Emerging Markets

Where we are now: valuation

China HY property widened 239bp WoW to 2,822bp as of Jan 24th, dragged by poor performance of China equities. However, the overall sentiment improved after RRR cut and more easing measures came out. The current spread implies a breakeven default rate of 40% in China HY property, assuming a 70% loss on default. For defaulted HY developers, the WoW average price change was -US\$0.1 and -1.8%, in absolute value and percentage (Exhibit 8). In the rest of HY space, China HY non-prop (corp) widened 16bp WoW to 807bp, but Asia non-China HY tightened 26bp WoW to 423bp. Meanwhile, US HY tightened 18bp WoW to 344bp. In Asia IG space, Asia non-China IG tightened 3bp WoW to 108bp, and China IG non-prop -2bp WoW to 112bp. However, China IG property widened 27bp WoW to 476bp. Meanwhile, US IG tightened 3bp WoW to 99bp.

Where we are now: defaults

We did not see default in China property this week. As a result, the LTM default rate by amount/count remained unchanged at 20.8%/7.5% for Asia HY, 37%/14.6% for China HY and 56%/28.6% for China HY property, respectively.

What has happened

Policy: PBoC will cut the RRR by 50bps effective on Feb 5, while 1yr/5yr LPR will keep unchanged. Regulators allow bank loans pledged by developers' commercial properties to be used to repay developers' other loans and bonds. Also, the LTV ratio cannot exceed 70% and the tenor is at most 15 years. Regulators may also consider expanding urban village refurbishment and subsidized housing to more cities. Beijing gov't targets to start construction of 70k+ & complete 80k+ social housing units in 2024. Xinhua agency reported that 3mn out of 3.5mn units (86%) of stalled projects completed as of end-2023. **Bond repayment:** China South City has the funds ready to repay interest due this week per media reports. **Fund raising/asset sale:** media reported that Gemdale has been in discussion for a RMB7bn syn loan. The loan received internal approval from CMB while take-up from banks has been slow in syndication, so Gemdale is seeking assistance from Shenzhen Futian Govt to coordinate per REDD. Wanda Commercial Management sold its stake in Xiamen Wanda Commercial Management; it has exited from 10 projects. Country Garden put its office and hotels in Guangzhou for sale for about RMB3.8bn per media reports. **Others:** A bondholder group with over US\$2bn offshore notes guaranteed by Evergrande plan to join a petition to liquidate the developer at HK court per Reuters. Vanke denied an allegation of tax evasion against it.

What to watch for

Performing HY developers' principal/coupon due by end-Apr'24 are US\$3.8/0.8bn, incl. Yanlord (US\$379mn) due Feb 27 and Radiance (US\$300mn) due Mar 20. Key things to watch are policy support, sales, state-backed bond issuance and restructuring.

The China HY Property Weekly publication will be merged into Asia Credit Weekly from Mar 1st. To continue to get weekly update on China HY property sector, please subscribe to the Asia Credit Weekly publication. Here is the link:

[Asia credit weekly spotlight \(week of 18 to 24 January\)](#)

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Timestamp: 25 January 2024 06:30PM EST

26 January 2024

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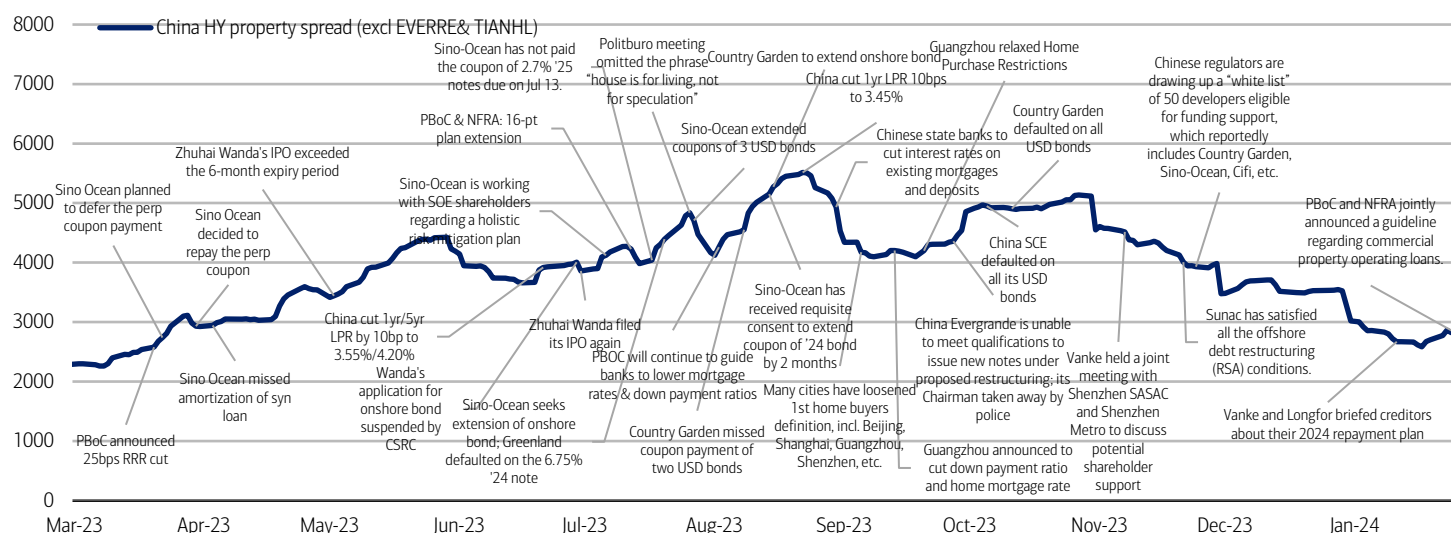
Abbreviations & Terminology

RRR: required reserve ratio
CMB: China Merchant Bank
LTV: loan-to-value ratio
CSRC: China Securities Regulatory Commission
HY: High Yield
IG: Investment Grade
LPR: Loan Prime Rate
LTM: last 12 months
MOHURD: Ministry of Housing and Urban-Rural Development
NAFMII: National Association of Financial Market Institutional Investors
PBoC: People's Bank of China
POE: privately owned enterprise
SASAC: State-owned Assets Supervision and Administration Commission
WoW: week on week

China HY property valuation in charts

Exhibit 1: China HY property (excluding Evergrande) spread movement year to date

China HY property spread retraced more than 4,500bp from the peak of around 6,700bp in early Nov'22 to the low of 2,100bp by Jan'23; it then widened again but tightened following policy easing in late Aug'23; the spread widened again from mid-Sep to end-Oct'23, and then tightened since Nov'23; however, in the past week, spread widened 239bp WoW to 2,822bp

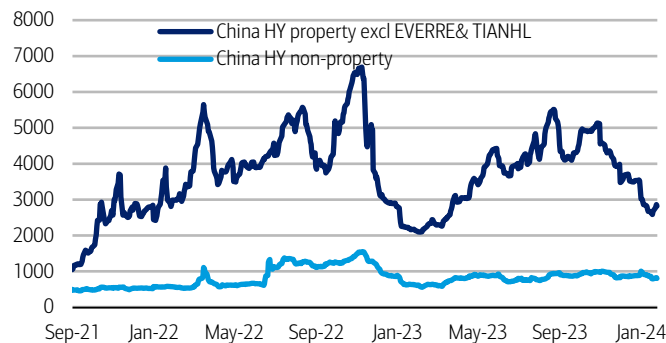


Source: ICE Data Indices, LLC

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Exhibit 2: China HY property (excluding Evergrande) versus non-property spread movement since Sep-2021

WoW, China HY property widened 239bp to 2,822bp; China HY non-property (corp) widened 16bp to 807bp



Source: ICE Data Indices, LLC

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Exhibit 3: China HY property (excluding Evergrande) spread movement since Sep-2021

WoW, China BB property widened 139bp to 1,319bp, and China B property +379bp to 4,560bp

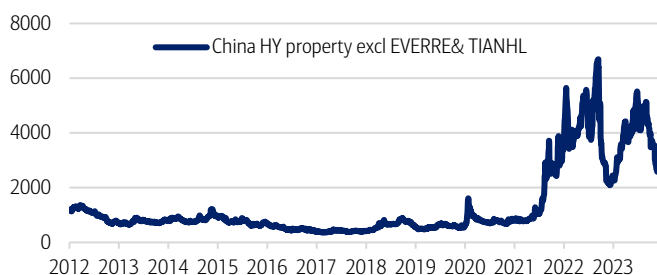


Source: ICE Data Indices, LLC

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Exhibit 4: China HY property (ex. Evergrande) spread movement since 2012

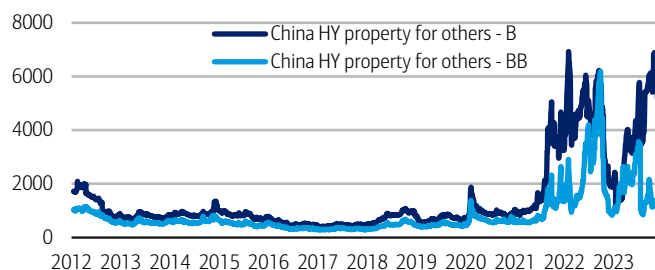
China HY property is now trading at 2,822bp



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Exhibit 5: China HY property (ex. Evergrande) spread movement since 2012 – BB vs B

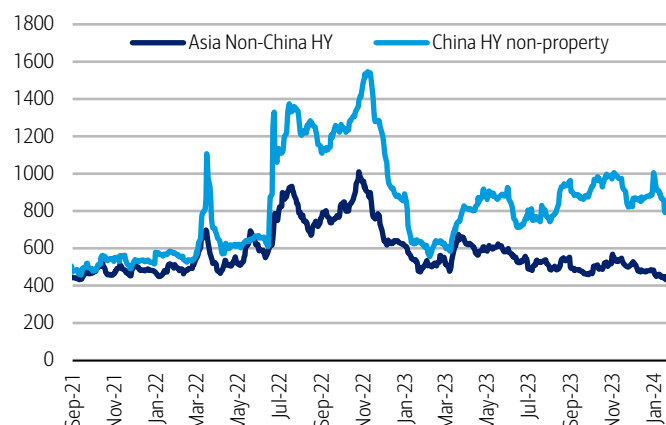
China BB property and B property tightened after policy easing in late Aug'23, but then widened from mid-Sep to end-Oct'23; spreads tightened since Nov'23 but widened in the past week



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Exhibit 6: China non-property HY vs Asia non-China HY spread movement since Sep-2021

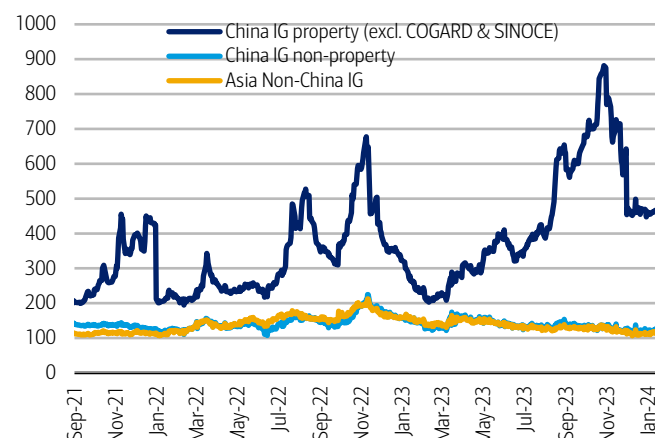
WoW, Asia non-China HY tightened 26bp to 423bp, and China HY non-property (corp) widened 16bp to 807bp



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Exhibit 7: China IG vs Asia non-China IG spread movement since Sep-2021

WoW, Asia non-China IG tightened 3bp to 108bp, China IG non-prop - 2bp to 112bp, but China IG prop widened 27bp to 476bp



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Performance of defaulted HY developers

Exhibit 8: Weekly performance of defaulted Chinese developers

WoW on average, the price change of defaulted Chinese developers was -US\$0.1 and -1.8% in absolute value and percentage, respectively

Bond	Ticker	Maturity	Amount outstanding (USD mn)	Price (US\$)					WoW Price change		YTD 2024 Price change	
				30-Dec-22	30-Nov-23	29-Dec-23	17-Jan-24	24-Jan-24	in US\$	%	in US\$	%
CHFOTN 8.75% 2022	CHFOTN	9/28/2022	330	9.8	0.7	0.2	0.1	0.1	-	-	(0.1)	(52.4)
EVERRE 8.25% 2022	EVERRE	3/23/2022	2,025	7.0	1.7	1.6	1.7	1.6	(0.1)	(5.4)	0.0	0.1
EVERRE 9.5% 2022	EVERRE	4/11/2022	1,450	7.0	1.8	1.6	1.5	1.6	0.1	4.1	(0.0)	(0.1)
EVERRE 11.5% 2023	EVERRE	1/22/2023	1,000	7.0	1.7	1.6	1.5	1.4	(0.1)	(6.6)	(0.2)	(10.5)
EVERRE 10% 2023	EVERRE	4/11/2023	850	7.0	1.7	1.7	1.7	1.4	(0.2)	(14.2)	(0.2)	(14.2)
EVERRE 7.5% 2023	EVERRE	6/28/2023	1,345	7.0	1.7	1.6	1.5	1.4	(0.1)	(6.3)	(0.2)	(10.5)
EVERRE 12% 2024	EVERRE	1/22/2024	1,000	7.0	1.7	1.6	1.7	1.4	(0.2)	(14.0)	(0.2)	(11.3)
EVERRE 9.5% 2024	EVERRE	3/29/2024	951	7.0	1.7	1.6	1.6	1.6	0.0	1.1	0.0	1.2
EVERRE 10.5% 2024	EVERRE	4/11/2024	700	7.0	1.8	1.5	1.6	1.5	(0.1)	(4.3)	0.0	1.9
EVERRE 8.75% 2025	EVERRE	6/28/2025	4,680	7.0	1.7	1.5	1.7	1.7	(0.0)	(2.0)	0.2	10.3
FTHDGR 7.375% 2021	FTHDGR	10/4/2021	206	8.0	3.7	2.8	3.0	3.0	-	-	0.2	7.7
FTHDGR 15% 2021	FTHDGR	12/18/2021	291	8.0	3.7	2.9	3.0	3.0	-	-	0.1	4.7
FTHDGR 6.95% 2021	FTHDGR	12/17/2021	249	8.0	3.7	2.9	3.0	3.0	-	-	0.1	4.7
FTHDGR 11.75% 2022	FTHDGR	4/17/2022	297	8.0	3.6	2.7	2.6	2.6	-	-	(0.2)	(5.5)

Exhibit 8: Weekly performance of defaulted Chinese developers

WoW on average, the price change of defaulted Chinese developers was -US\$0.1 and -1.8% in absolute value and percentage, respectively

Bond	Ticker	Maturity	Amount outstanding (USD mn)	Price (US\$)					WoW Price change		YTD 2024 Price change	
				30-Dec-22	30-Nov-23	29-Dec-23	17-Jan-24	24-Jan-24	in US\$	%	in US\$	%
FTHDGR 7.95% 2022	FTHDGR	7/5/2022	499	8.0	3.8	2.8	2.9	3.0	0.0	0.9	0.2	7.3
FTHDGR 12.25% 2022	FTHDGR	10/18/2022	350	8.0	3.8	2.8	2.6	2.7	0.1	3.7	(0.1)	(2.5)
FTHDGR 10.875% 2023	FTHDGR	1/9/2023	446	8.0	3.8	2.8	2.6	2.6	0.0	1.4	(0.1)	(4.7)
FTHDGR 11.875% 2023	FTHDGR	6/1/2023	541	8.0	3.9	2.8	2.9	3.0	0.0	0.9	0.1	4.5
FTHDGR 9.25% 2023	FTHDGR	7/28/2023	344	8.0	3.8	2.8	2.7	2.6	(0.0)	(0.9)	(0.2)	(6.3)
FTHDGR 9.875% 2023	FTHDGR	10/19/2023	303	8.0	3.8	2.8	2.7	2.7	-	-	(0.0)	(0.6)
FTHDGR 10.875% 2024	FTHDGR	3/2/2024	230	8.0	3.8	3.3	3.1	3.2	0.1	3.3	(0.1)	(2.8)
FTHDGR 14.5% 2024	FTHDGR	6/25/2024	200	8.0	3.8	2.8	2.7	2.6	(0.1)	(4.0)	(0.3)	(9.9)
KAISAG 6.5% 2021	KAISAG	12/7/2021	400	13.5	4.4	3.8	3.8	3.6	(0.2)	(4.5)	(0.2)	(4.5)
KAISAG 11.25% 2022	KAISAG	4/9/2022	550	13.5	4.5	3.9	3.7	3.5	(0.2)	(4.5)	(0.4)	(9.3)
KAISAG 8.5% 2022	KAISAG	6/30/2022	1,147	13.5	4.4	3.8	3.8	3.6	(0.2)	(4.5)	(0.2)	(5.7)
KAISAG 8.65% 2022	KAISAG	7/22/2022	200	13.5	4.4	3.9	3.8	3.6	(0.2)	(4.5)	(0.3)	(8.2)
KAISAG 10.5% 2022	KAISAG	9/7/2022	300	NA	4.1	3.8	3.8	3.6	(0.2)	(4.5)	(0.2)	(5.7)
KAISAG 11.95% 2022	KAISAG	10/22/2022	600	13.5	4.6	4.1	3.8	3.7	(0.2)	(3.9)	(0.4)	(10.0)
KAISAG 11.95% 2022	KAISAG	10/22/2022	600	14.3	4.3	3.8	3.9	3.7	(0.3)	(6.5)	(0.1)	(3.2)
KAISAG 11.5% 2023	KAISAG	1/30/2023	700	13.5	4.2	3.8	3.8	3.6	(0.2)	(4.5)	(0.3)	(6.6)
KAISAG 10.875% 2023	KAISAG	7/23/2023	750	13.5	4.4	3.9	3.9	3.8	(0.1)	(2.3)	(0.1)	(1.8)
KAISAG 9.75% 2023	KAISAG	9/28/2023	980	13.5	4.3	3.9	4.0	3.8	(0.2)	(4.4)	(0.1)	(2.7)
KAISAG 11.95% 2023	KAISAG	11/12/2023	500	13.5	4.1	3.5	3.5	3.6	0.0	0.4	0.1	2.9
KAISAG 9.375% 2024	KAISAG	6/30/2024	2,247	13.5	4.4	3.8	4.0	4.0	-	-	0.2	5.4
KAISAG 10.5% 2025	KAISAG	1/15/2025	500	13.5	4.4	3.7	3.9	3.8	(0.1)	(2.6)	0.2	4.3
KAISAG 11.25% 2025	KAISAG	4/16/2025	700	13.5	4.4	3.5	3.6	3.6	-	-	0.1	1.6
KAISAG 9.95% 2025	KAISAG	7/23/2025	500	13.5	4.4	3.6	3.6	3.6	(0.0)	(0.1)	(0.1)	(1.5)
KAISAG 11.7% 2025	KAISAG	11/11/2025	1,000	13.5	4.4	3.5	3.6	3.6	-	-	0.1	1.6
KAISAG 11.65% 2026	KAISAG	6/1/2026	300	13.5	4.4	3.5	3.6	3.6	-	-	0.1	1.6
KAISAG 10.875% perp	KAISAG	Perpetual	200	8.5	4.7	3.7	3.9	3.8	(0.2)	(4.0)	0.1	2.4
LOGPH 7.5% 2022	LOGPH	8/25/2022	279	NA	7.8	7.0	10.3	10.0	(0.3)	(2.8)	3.0	42.9
LOGPH 5.25% 2023	LOGPH	2/23/2023	450	22.0	8.0	6.7	10.3	10.1	(0.2)	(2.0)	3.4	50.1
LOGPH 6.5% 2023	LOGPH	7/16/2023	400	22.0	7.8	6.7	10.2	10.1	(0.2)	(1.8)	3.4	50.2
LOGPH 6.9% 2024	LOGPH	6/9/2024	280	22.0	8.1	6.4	10.3	10.1	(0.2)	(2.3)	3.7	56.8
LOGPH 4.25% 2024	LOGPH	9/17/2024	100	22.0	8.0	6.4	10.3	10.1	(0.2)	(2.3)	3.7	58.0
LOGPH 5.75% 2025	LOGPH	1/14/2025	300	22.0	8.1	6.4	10.3	10.1	(0.2)	(2.3)	3.7	56.8
LOGPH 4.25% 2025	LOGPH	7/12/2025	300	22.0	8.1	6.4	10.3	10.1	(0.2)	(2.2)	3.7	57.0
LOGPH 5.25% 2025	LOGPH	10/19/2025	300	22.0	8.1	6.4	10.3	10.1	(0.2)	(2.3)	3.7	56.8
LOGPH 4.7% 2026	LOGPH	7/6/2026	300	22.0	8.1	6.4	10.3	10.1	(0.2)	(2.2)	3.7	57.0
LOGPH 6.95% 2026	LOGPH	8/4/2026	250	24.6	7.9	8.0	10.7	10.3	(0.4)	(3.4)	2.3	28.3
LOGPH 4.85% 2026	LOGPH	12/14/2026	300	22.0	8.1	6.4	10.3	10.1	(0.2)	(2.2)	3.7	57.0
LOGPH 4.5% 2028	LOGPH	1/13/2028	300	22.0	7.3	6.3	10.3	10.1	(0.2)	(2.2)	3.8	60.8
LOGPH 7% perp	LOGPH	Perpetual	350	NA	4.1	3.5	5.2	5.2	-	-	1.8	50.9
SHIMAO 4.75% 2022	SHIMAO	7/3/2022	1,000	18.0	4.3	4.2	5.2	5.2	0.0	0.6	1.0	24.2
SHIMAO 3.975% 2023	SHIMAO	9/16/2023	300	18.0	4.5	4.2	5.2	5.2	0.0	0.3	0.9	22.4
SHIMAO 6.125% 2024	SHIMAO	2/21/2024	1,000	18.0	4.3	4.2	5.0	5.2	0.2	3.4	1.0	25.1
SHIMAO 5.2% 2025	SHIMAO	1/30/2025	500	18.0	4.3	4.1	5.0	5.2	0.1	2.1	1.0	24.4
SHIMAO 5.6% 2026	SHIMAO	7/15/2026	1,000	18.0	4.3	4.1	5.0	4.8	(0.2)	(3.1)	0.7	17.0
SHIMAO 5.2% 2027	SHIMAO	1/16/2027	748	18.0	4.3	4.1	5.0	5.1	0.2	3.1	1.0	24.9
SHIMAO 4.6% 2030	SHIMAO	7/13/2030	300	18.0	4.1	4.0	5.0	5.1	0.1	2.5	1.1	27.2
SHIMAO 3.45% 2031	SHIMAO	1/11/2031	872	18.0	4.0	4.0	5.0	5.1	0.1	2.5	1.1	27.2
TIANHL 11.5% 2022	TIANHL	10/24/2022	2,000	6.0	NA	1.6	1.8	1.7	(0.2)	(9.1)	0.1	4.7
TIANHL 13% 2022	TIANHL	11/6/2022	645	6.0	NA	1.6	1.7	1.7	(0.0)	(0.5)	0.1	4.6
TIANHL 12% 2023	TIANHL	10/24/2023	2,000	6.0	NA	1.6	1.7	1.7	(0.0)	(0.5)	0.1	4.7
TIANHL 13.75% 2023	TIANHL	11/6/2023	590	6.0	NA	1.6	1.7	1.7	(0.0)	(0.5)	0.1	4.7
Average				13.0	4.5	3.7	4.5	4.4	(0.1)	(1.8)	0.8	11.8

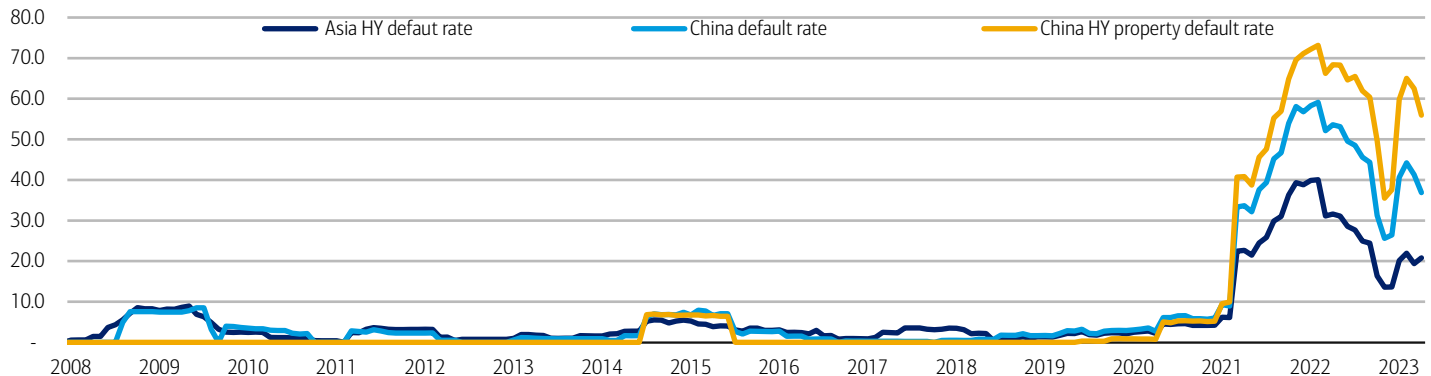
Source: Bloomberg

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HY Defaults: Asia vs China vs China Property

Exhibit 9: LTM default rate by amount: Asia HY versus China HY versus China HY property

As of 26 January, the LTM default rate by amount was 20.8% for Asia HY, 36.9% for China HY, and 56.0% for China HY property

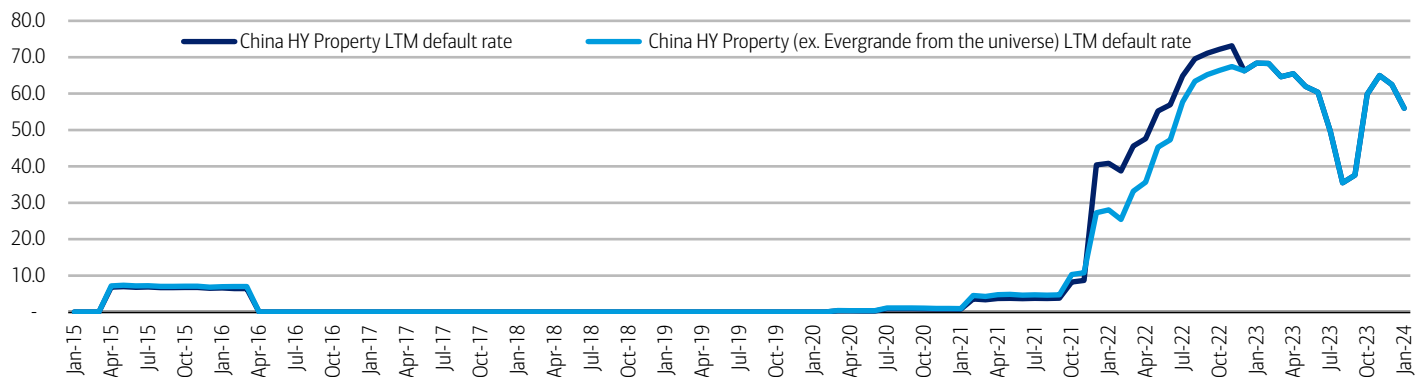


Source: BofA Global Research

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Exhibit 10: LTM default rate by amount: China HY property vs China HY property (excluding Evergrande)

As of 26 January, LTM default rate by amount was 56.0% for China HY property; as Evergrande (defaulted in December 2021) has been removed from the universe denominator, the LTM default rate excluding Evergrande is the same

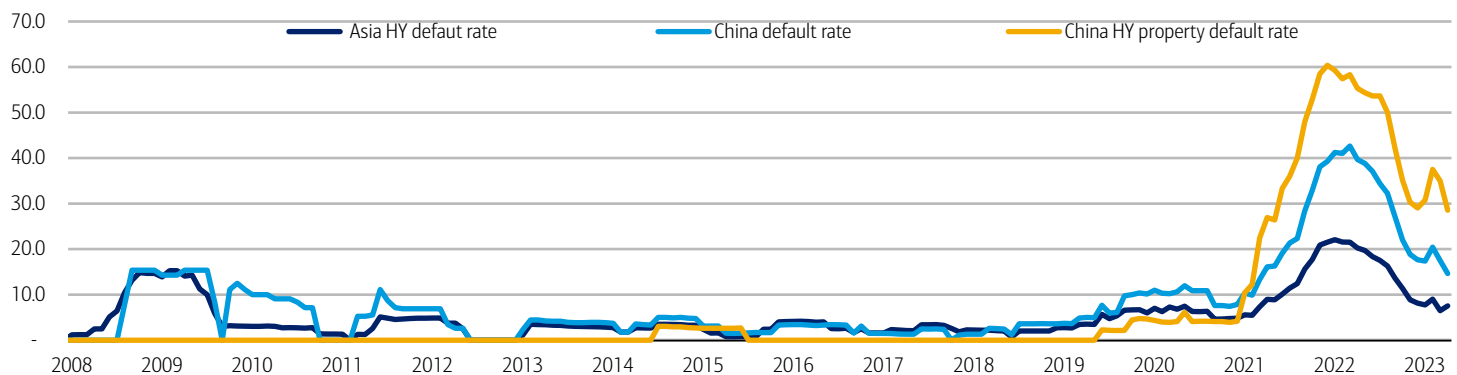


Source: BofA Global Research

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Exhibit 11: LTM default rate by count of issuers: Asia HY versus China HY versus China HY property

As of 26 January, LTM default rate by count was 7.5% for Asia HY, 14.6% for China HY, and 28.6% for China HY property

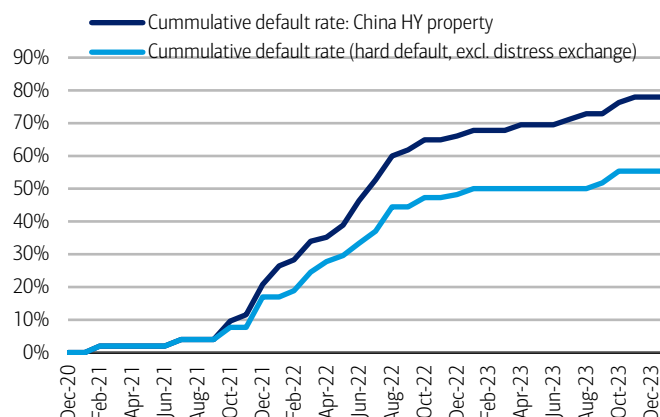


Source: BofA Global Research

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Exhibit 12: Cumulative default rate by count

The cumulative default rate by count is 78.0%, or 55.4% excluding distress exchange (i.e., hard default only)



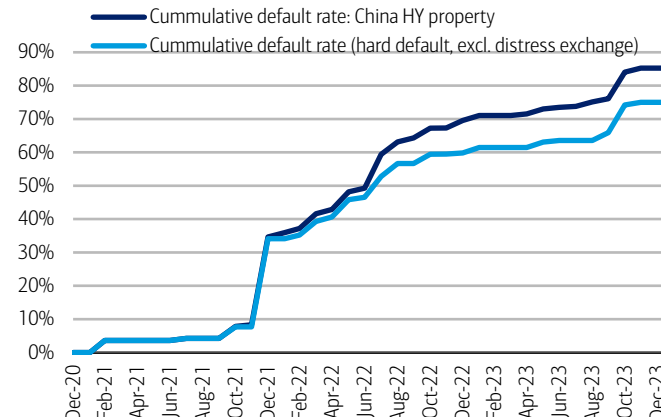
Source: BofA Global Research

Note: based on Dec 2020 universe; adding Shima, Sino Ocean, County Garden into the universe denominator

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Exhibit 13: Cumulative default rate by amount

The cumulative default rate by amount is 85.3%, or 75.0% excluding distress exchange (i.e., hard default only)



Source: BofA Global Research

Note: based on Dec 2020 universe; adding Shima, Sino Ocean, County Garden into the universe denominator

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Exhibit 14: China property default list since 2015

70 issuers have defaulted on the USD bond market since 2015

Month	Ticker	Issuer Name	Type Of Default	# of Bonds	Amt (US\$m)	Included in index or not
Apr-15	KAISAG	Kaisa Group Holdings	Missed interest payment	4	1,950	Y
Jul-18	WUINTL	Wuzhou International Holdings	Cross Default triggered by onshore bond default	1	300	Y
Mar-20	YIDCHL	Yida China Holdings	Distressed exchange	1	225	Y
Jul-20	THHTGP	Tahoe Group	Cross Default triggered by onshore bond default	1	530	Y
Feb-21	CHFOTN	China Fortune Land Development	Missed principal payment and cross default	8	4,360	Y
May-21	FANHAI	Oceanwide	Missed principal payment	2	344	N
Jul-21	LGUANG	Sichuan Language	Cross Default triggered by onshore bond default	2	750	Y
Aug-21	SUNCHN	Sunshine 100 China	Missed interest payment and principal; Cross Default	4	561	N
Oct-21	FTHDGR	Fantasia	Missed principal payment and cross default	9	3,276	Y
Oct-21	MOLAND	Modern Land	Missed principal payment and cross default	3	898	Y
Oct-21	XIN	Xinyuan	Distressed exchange	1	229	Y
Oct-21	CHINPR	China properties	Missed interest payment and principal	1	226	N
Oct-21	SINHLD	Sinic Holdings	Missed principal payment and cross default	3	694	N
Nov-21	SUNSHI	Yango Group	Distressed Exchange	2	550	Y
Dec-21	KAISAG	KAISA Group Holdings	Missed interest payment and principal	13	10,474	Y
Dec-21	CAPG	China Aoyuan	Missed private bond principal payment and cross default	6	2,385	Y
Dec-21	EVERRE & TIANHL	Evergrande	Missed interest payment and cross default	13	19,236	Y
Dec-21	YANGOG	Fujian Yango	Missed interest payment and cross default	2	600	Y
Jan-22	SHXREG	Xiang Sheng Overseas Ltd	Distressed Exchange	1	275	N
Jan-22	RISSUN	RiseSun Real Estate	Distressed Exchange	1	500	Y
Jan-22	GZRFPR	Guangzhou R&F	Distressed Exchange	1	725	Y
Jan-22	DAFAPG	Dafa property	Distressed Exchange	1	185	N
Jan-22	YUZHOU	Yuzhou Group	Distressed Exchange	2	582	Y
Feb-22	YIDCHL	Yida China Holdings	Distressed exchange	1	191	N
Feb-22	SUNSHI	Yango Group	Missed interest payment and cross default	5	1,497	Y
Feb-22	GUOPRO	Glory Land	Distressed Exchange	1	324	Y
Mar-22	DAFAPG	Dafa property	Missed interest payment	1	360	Y
Mar-22	YUZHOU	Yuzhou Group	Missed interest payment and cross default	10	4,854	Y
Mar-22	GUOPRO	Glory Land	Missed interest payment	1	5	Y
Mar-22	JINGRU	Jingrui Holdings	Distressed exchange	1	190	N
Mar-22	ZHPRHK	Zhenro property	Distressed Exchange	1	300	Y
Mar-22	YANGOG	Fujian Yango	Missed interest payment (cross defaulted earlier)	2	406	Y
Mar-22	SHNSUN	Shinsun Holdings	Missed interest payment and cross default	3	486	N
Mar-22	REDPRO	Redco Group	Distressed Exchange	1	321	Y
Apr-22	ZHPRHK	Zhenro property	Missed interest payment and cross default	6	1,963	Y
Apr-22	GWTH	Golden Wheel	Completed debt restructuring	1	178	Y

Exhibit 14: China property default list since 2015

70 issuers have defaulted on the USD bond market since 2015

Month	Ticker	Issuer Name	Type Of Default	# of Bonds	Amt (US\$m)	Included in index or not
May-22	BJHKWY	Beijing Hongkun Weiye Real Estate	Missed interest payment	1	193	N
May-22	SUNAC	Sunac China	Missed interest payment and cross default	12	7,762	Y
May-22	ZHLGHD	Zhongliang Holdings	Distressed Exchange	1	450	Y
May-22	DTGRHD	Datang Group	Distressed Exchange	1	300	N
Jun-22	LEAHOL	Leading Holdings Group Ltd	Distressed Exchange	1	119	N
Jun-22	JIAZHO	Zhongnan Construction	Distressed Exchange	1	73	Y
Jun-22	GRNLGR	Greenland	Distressed Exchange	1	500	Y
Jun-22	JINGRU	Jingrui Holdings	Missed interest payment and cross default	2	610	Y
Jun-22	SKYFAM	Skyfame Realty	cross default	2	566	Y
Jul-22	SHIMAO	Shimao Group	Missed interest and principal payment and cross default	8	5,720	Y
Jul-22	RONXIN	Roshine China	Missed interest payment and cross default	5	2,072	Y
Jul-22	PWRLNG	Powerlong	Distressed Exchange	1	300	Y
Jul-22	GZRFRP	Guangzhou R&F	Distressed Exchange	9	4,360	Y
Jul-22	Xin	Xinyuan	Missed interest and principal payment and cross default	2	531	Y
Jul-22	SUNKWP	Sunkwan Properties Group	Distressed Exchange	1	210	N
Jul-22	HKJFPC	Junfa Property	Missed interest payment	1	237	N
Jul-22	HUIJHK	Huijing Holdings Co Ltd	Distressed Exchange	1	107	N
Jul-22	SHXREG	Xiang Sheng Overseas Ltd	Distressed Exchange	1	134	N
Jul-22	CSCHCN	China South City	Distressed Exchange	3	1,341	N
Aug-22	LOGPH	Logan Group	Missed interest payment and cross default	10	3,209	Y
Aug-22	REDSUN	Redsun property	Missed interest payment and cross default	3	1,055	Y
Aug-22	JIAUYA	Jiayuan International Group Ltd	Missed interest/put payment and cross default	3	776	Y
Aug-22	HONGSL	Hong Seng Ltd	Missed interest payment and principal	1	275	Y
Sep-22	YCINTL	Yincheng International Holding	Distressed Exchange	1	115	N
Sep-22	KWGPRO	KWG Group Holding	Distressed Exchange	3	1,600	Y
Oct-22	GZFYRE	Guangzhou Fineland Real Estate	Missed interest payment	1	340	Y
Oct-22	CIFIHG	CIFI Holdings Group	Cross default	8	3,680	Y
Oct-22	HLBCNH	Helenbergh China Holding	Distressed Exchange	1	350	Y
Oct-22	SINOCL	Sino-Ocean Capital	Distressed Exchange	1	282	N
Oct-22	LSEAGN	Landsea Green Management Ltd	Distressed Exchange	1	119	N
Oct-22	GNGLNG	Ganglong China Property	Distressed Exchange	1	158	N
Nov-22	SUNKWP	Sunkwan Properties Group	Missed payment and cross default	2	362	N
Nov-22	RISSUN	RiseSun Real Estate	Distressed Exchange	2	741	N
Nov-22	JIAZHO	Jiangsu Zhongnan Construction Group	Missed interest payment	1	250	Y
Nov-22	GWTH	Golden Wheel	Missed interest payment	1	470	N
Nov-22	ZHLGHD	Zhongliang Holdings	Distressed Exchange	3	898	N
Dec-22	GRNLGR	Greenland	Distressed Exchange	8	2,702	Y
Dec-22	DEXICN	Dexin China Holdings	Distressed Exchange	1	348	Y
Dec-22	JINKE	Jinke Properties	Missed interest payment	1	325	Y
Dec-22	REDPRO	Redco Properties	Suspend payment	1	252	Y
Dec-22	JYGMHD	JY Grandmark	Distressed Exchange	1	152	N
Jan-23	TPHL	Times China	Suspend payment	6	2,650	Y
Jan-23	HUIJHK	Huijing Holdings Co Ltd	Missed interest payment	1	108	N
Mar-23	YCINTL	Yincheng International Holding	Missed interest payment and principal, and cross default	2	211	N
Apr-23	CENCHI	Central China	Distressed Exchange	2	630	Y
Apr-23	HYDOO	Guangdong-Hongkong Greater Bay Area Holding	Distressed Exchange	2	379	N
May-23	KWGPRO	KWG Group Holding	Missed interest payment and principal, and cross default	7	2,525	Y
May-23	DTGRHD	Datang Group	Missed interest payment and principal	1	284	N
Jun-23	CENCHI	Central China	Suspend payment	3	849	Y
Jun-23	LEAHOL	Leading Holdings Group Ltd	Missed interest payment and principal	1	119	N
Jul-23	PWRLNG	Powerlong	Distressed Exchange	1	420	Y
Aug-23	SINOCE	Sino Ocean Group	Distressed Exchange (coupon extension)	3	1,798	Y
Sep-23	SINOCE	Sino Ocean Group	Suspend payment	3	1,320	Y
Oct-23	CHINSC	China SCE Group	Cross default triggered by missed payment of a syn loan	4	1,800	Y
Oct-23	COGARD	Country Garden	Cross default triggered by missed payment of HKD 470mn debt	15	9,913	Y
Nov-23	DALWAN	Wanda properties	Distressed Exchange	1	600	Y
Nov-23	PWRLNG	Powerlong	Missed interest payment and cross default	2	1,035	Y
Dec-23	MOLAND	Modern Land China	Distressed Exchange	5	1606	N

Source: Company data

Note: For companies included in the index, the number only accounts for the No. of bond, and outstanding amounts which are index-eligible.

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Exhibit 15: Distressed exchange offers

Recently proposed exchange offer/ extension and summary of key features

							Amt of Bond subject to exchange	
Completion Date	Ticker	Terms	Incentive	Coupon Cut	Upfront Payment	New bond	/extension (USD mn)	Status
Oct-21	XIN	Exchange offer	1.0%	N	Option 1: 5% Option 2: 0%	Option 1: 95% Option 2: 100%	229	Completed
Oct-21	MOLAND	Maturity Extension	0.10%	N	35%	N/A	250	Terminated
Nov-21	SUNSHI	Exchange offer	2.50%	N	0%	100%	747	Completed
Nov-21	KAISAG	Exchange offer	2.50%	N	0%	100%	400	Terminated
Jan-22	GZRFPR	Maturity Extension	0.10%	N	Option 1: 83%; Option 2: half of bonds tendered to be purchased at par	N/A	725	Completed
Jan-22	RISSUN	Exchange offer	2.5%/1.5%*	N	5%	95%	780	Terminated
Jan-22	DAFAPG	Exchange offer	1%	N	4%	96%	185	Completed
Jan-22	YUZHOU	Exchange offer	1%	N/Y**	5%	95%	582	Completed
Mar-22	YIDCHL	Maturity Extension	US\$4.6mn***	Y	0%	N/A	191	Completed
Feb-22	GUOPRO	Exchange offer	2.0%	N	0%	105.13%	324	Completed
Mar-22	ZHPRHK	Consent Solicitation on perp	1.75%	N	0%	N/A	200	Completed
Mar-22	ZHPRHK	Exchange offer	1%/ 0.5% *	N/Y**	0%	100%	1050	Completed
Mar-22	JINGRU	Exchange offer	Option 1: 0% Option 2: 1%	N	Option 1: 0% Option 2: 5%	Option 1: 100% Option 2: 95%	190	Completed
Mar-22	REDPRO	Exchange offer	1.0%	N	0%	100%	652	Completed
May-22	ZHLGHD	Exchange offer	1.0%	N	0%	100%	729	Completed
Jun-22	DTGRHD	Exchange offer	0.0%	N	0%	100%	300	Completed
Jun-22	JIAZHO	Exchange offer	1.0%	N/Y**	5%	95%	223	Completed
Jun-22	GRNLGR	Maturity Extension	1%/ 0.5%*	N	10%	N/A	500	Completed
Jun-22	LEAHOL	Exchange offer	0.0%	N	0%	100%	150	Completed
Jul-22	GZRFPR	Exchange offer	0.5%	N/Y**	0%	100%	5060	Completed
Jul-22	HUIJHK	Exchange offer	0.0%	N	0%	100%	107	Completed
Jul-22	PWRLNG	Exchange offer	1.0%	N	5%/0%	95%/100%	450	Completed
Jul-22	SUNKWP	Exchange offer	0.0%	N	0%	100%	210	Completed
Jul-22	CSCHCN	Maturity Extension	1%/ 0.5%*	N	0%	N/A	1566	Completed
Aug-22	JIAYUA	Exchange offer	0.25%	Y	0%	100%	1305	Terminated
Sep-22	YCINTL	Exchange offer	0.0%	N	0%	100%	110	Completed
Sep-22	KWGPRO	Exchange offer	0.5%	N	5% for '22 notes, 0% for the '23 note	95% for '22 notes, 100% for the '23 note	1600	Completed
Oct-22	LSEAGN	Exchange offer	0.5%	N	10%	90%	169	Completed
Oct-22	SINOCL	Maturity Extension	0.0%	N	0%	100%	247	Completed
Oct-22	HLBCNH	Exchange offer	0.25%	Y	0%	100%	350	Completed
Oct-22	GNLNG	Exchange offer	0.0%	N	0%	100%	158	Completed
Nov-22	HLBCNH	Exchange offer	0.0%	Y	0%	100%	270	Completed
Nov-22	GRNLGR	Maturity Extension	0.5%/ 0.25%*	Y	5%	N/A	3182	Completed
Nov-22	DEXICN	Exchange offer	0.5%	Y	2.5%	97.5%	348	Completed
Dec-22	JYGMHD	Exchange offer	0.0%	N	0%	100%	152	Completed
Feb-23	YCINTL	Exchange offer	0.0%	N	0%	100%	96	Terminated
Apr-23	CENCHI	Exchange offer	0.5%	N	0%	100%	897	Completed
Apr-23	HYDOO	Exchange offer	0.0%	Y	0%	101%/ 100%	379	Completed
Jun-23	XIN	Exchange offer	0.5%/0.3%*	Y	0%	100%	660	Completed
Jun-23	PWRLNG	Exchange offer	0.25%	N	0%	100%	479	Completed
Jun-23	SINOCL	Maturity Extension	0.0%	Y	0%	100%	497	Completed
Aug-23	GZFYRE	Exchange offer	0.2%	Y	0%	100%	340	Terminated
Aug-23	ZENSUN	Exchange offer	0.0%	Y	0%	100%	113	Completed
Sept-23	GRNLGR	Maturity Extension	0.1%/0.05%*	Y	0%	100%	2989	Completed
Oct-23	RISSUN	Maturity Extension	0.1%	Y	0%	100%	731	Completed
Oct-23	HYDOO	Maturity Extension	0.0%	Y	0.1%	99.9%	440	Completed
Nov-23	DALWAN	Maturity Extension	1%/0.25%*	N	0%	100%	600	Completed
Nov-23	MOLAND	Consent Solicitation	0.2%/ 0.002%	N/A	0%	N/A	1610	Completed
Dec-23	CSCHCN	Maturity Extension	0.5%/0.15%	Y	0%	100%	1347	Completed

Note

*before/after early expiration date

** coupon cut different for different bonds in exchange

***:US\$1.15 in 10 business days after the Effective Time and US\$3.45mn on 6/30/2022

Source: Company announcements



Exhibit 16: A-Share placement plans & status after CSRC relaxed equity financing

A-share placement plans after CSRC relaxed equity financing for property sector

Company	Related Ticker	Amount	Placement size	Status	CSRC approved?
CCCC Real Estate	000736.SZ	Up to RMB3.5bn	Up to 30% of current share capital	Not Completed	Yes
China Merchants Shekou					
Industrial Zone Holdings	001979.SZ	Up to RMB8.5bn	Up to 30% of current share capital	Not Completed	Yes
China Vanke	000002.SZ	N/A	Up to 1.1bn shares	Terminated	
Greentown Holdings	900940.SH	Up to RMB2.55bn	Up to 510mn shares	Not Completed	Yes
Greenland Holdings	600606.SH	N/A	Up to 30% of current share capital	Not Completed	Not yet
Huafa Holding	600325.SH	Up to RMB60bn	Up to 6.35bn shares	Not Completed	Not yet
Jiangsu Zhongnan Construction	000961.SZ	Up to RMB2.8bn	Up to 1.1bn shares	Not Completed	Not yet
Jinke Property	000656.SZ	N/A	Up to 30% of current share capital	Not Completed	Not yet
Poly Development	600048.SH	Up to RMB12.5bn	Up to 819.14mn shares	Not Completed	Yes
Risesun Real Estate	002146.SZ	Up to RMB3bn	Up to 30% of current share capital	Not Completed	Not yet
		Downsized from up to RMB8bn	Downsized from up to 677mn to		
Seazen Holdings	601155.SH	Up to RMB4.5bn	up to 451mn shares	Not Completed	Not yet
Shimao Group	600823.SH	N/A	Up to 30% of current share capital	Not Completed	Not yet
Xinhu Zhongbao	600208.SH	N/A	Up to 20% of current share capital	Not Completed	Not yet

Source: Company announcement

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Repayment schedule for Chinese HY developers

Exhibit 17: Bond repayment & coupon schedule from performing Chinese HY developers by April 2024

Total principal (including put) repayment and coupon payment by performing Chinese HY developers by April 2024 is US\$4.6bn

Company Name	Bond	Offshore Bond Ticker	Currency	Payment date	Coupon or Principal	Payment (USD mn)
Agile Property Holding	AGILE 7.875 Perp	AGILE	USD	31-Jan-2024	Coupon	20
CHINA SOUTH CITY HOLDING	CSCHCN 4.5 '27	CSCHCN	USD	31-Jan-2024	Coupon	1
New Metro Global Ltd.	FTLNHD 4.5 '26	FTLNHD	USD	2-Feb-2024	Coupon	9
CHINA SOUTH CITY HOLDING	CSCHCN 9 '24	CSCHCN	USD	12-Feb-2024	Coupon	13
Seazen Group Ltd.	FUTLAN 6 '24	FUTLAN	USD	12-Feb-2024	Coupon	8
Gemdale Ever Prosperity Investment	GEMDAL 4.95 '24	GEMDAL	USD	12-Feb-2024	Coupon	12
Greenland	GRNLGR 6.9 '29	GRNLGR	USD	12-Feb-2024	Coupon	9
Dalian Wanda Commercial Management Group	DALWAN 11 '26	DALWAN	USD	13-Feb-2024	Coupon	22
Road King Infrastructure	ROADKG 7.95 Perp	ROADKG	USD	17-Feb-2024	Coupon	12
Greentown China Holdings	GRNCH 3.28'27	GRNCH	CNY	21-Feb-2024	Coupon	5
EXCELLENCE COM MGMT	EXCECP 4.69'26	EXCECP	CNY	22-Feb-2024	Coupon	3
Gemdale Ever Prosperity Investment	GEMDAL 3.58'25	GEMDAL	CNY	23-Feb-2024	Coupon	8
GLORY LAND	GUOPRO 14.25 '24	GUOPRO	USD	23-Feb-2024	Coupon	24
Shui On Land Development	SHUION 6.15 '24	SHUION	USD	24-Feb-2024	Coupon	15
Greentown China Holdings	GRNCH 3.86'25	GRNCH	CNY	27-Feb-2024	Coupon	3
Yanlord Land	YLLGSP 6.8 '24	YLLGSP	USD	27-Feb-2024	Maturity	400
Yanlord Land	YLLGSP 6.8 '24	YLLGSP	USD	27-Feb-2024	Coupon	14
Gemdale Ever Prosperity Investment	GEMDAL 3.93'26	GEMDAL	CNY	1-Mar-2024	Put	279
Gemdale Ever Prosperity Investment	GEMDAL 3.93'26	GEMDAL	CNY	1-Mar-2024	Coupon	11
Greenland	GRNLGR 7.75 '30	GRNLGR	USD	3-Mar-2024	Coupon	12
Shui On Land Development	SHUION 5.5 '25	SHUION	USD	3-Mar-2024	Coupon	13
Road King Infrastructure	ROADKG 6 '25	ROADKG	USD	4-Mar-2024	Coupon	9
Road King Infrastructure	ROADKG 5.9 '25	ROADKG	USD	5-Mar-2024	Coupon	6
Agile Property Holding	AGILE 13.476 Perp	AGILE	USD	7-Mar-2024	Coupon	34
CHINA SOUTH CITY HOLDING	CSCHCN 9 '24	CSCHCN	USD	9-Mar-2024	Coupon	9
Gemdale Ever Prosperity Investment	GEMDAL 3.96'24	GEMDAL	CNY	10-Mar-2024	Maturity	209
Gemdale Ever Prosperity Investment	GEMDAL 3.96'24	GEMDAL	CNY	10-Mar-2024	Coupon	8
PERFECT POINT VENTURES	CCLAND 5.2 '25	CCLAND	USD	20-Mar-2024	Coupon	8
Radiance Holding Group	RDHGCL 7.8 '24	RDHGCL	USD	20-Mar-2024	Maturity	300
Radiance Holding Group	RDHGCL 7.8 '24	RDHGCL	USD	20-Mar-2024	Coupon	12
Dalian Wanda Commercial Management Group	DALWAN 6.8'26	DALWAN	CNY	22-Mar-2024	Coupon	14
Gemdale Ever Prosperity Investment	GEMDAL 3.5'24	GEMDAL	CNY	22-Mar-2024	Maturity	153
Gemdale Ever Prosperity Investment	GEMDAL 3.5'24	GEMDAL	CNY	22-Mar-2024	Coupon	5

Exhibit 17: Bond repayment & coupon schedule from performing Chinese HY developers by April 2024

Total principal (including put) repayment and coupon payment by performing Chinese HY developers by April 2024 is US\$4.6bn

Company Name	Bond	Offshore Bond Ticker	Currency	Payment date	Coupon or Principal	Payment (USD mn)
Greentown China Holdings	GRNCH 4.07'26	GRNCH	CNY	23-Mar-2024	Coupon	9
EXCELLENCE COM MGMT	EXCECP 2.91 '25	EXCECP	USD	24-Mar-2024	Coupon	1
Gemdale Ever Prosperity Investment	GEMDAL 3.98'24	GEMDAL	CNY	24-Mar-2024	Maturity	209
Gemdale Ever Prosperity Investment	GEMDAL 3.98'24	GEMDAL	CNY	24-Mar-2024	Coupon	8
Greentown China Holdings	GRNCH 4'25	GRNCH	CNY	24-Mar-2024	Coupon	6
Dalian Wanda Commercial Management Group	DALWAN 6.6'24	DALWAN	CNY	25-Mar-2024	Maturity	36
Dalian Wanda Commercial Management Group	DALWAN 6.6'24	DALWAN	CNY	25-Mar-2024	Coupon	2
Greentown China Holdings	GRNCH 4.07'26	GRNCH	CNY	25-Mar-2024	Put	230
Greentown China Holdings	GRNCH 4'25	GRNCH	CNY	25-Mar-2024	Put	139
Greenland	GRNLGR 7.75 '29	GRNLGR	USD	26-Mar-2024	Coupon	20
Agile Property Holding	AGILE 7.5'25	AGILE	CNY	28-Mar-2024	Put	70
Agile Property Holding	AGILE 5'25	AGILE	CNY	28-Mar-2024	Put	28
Agile Property Holding	AGILE 7.5'25	AGILE	CNY	28-Mar-2024	Coupon	5
Agile Property Holding	AGILE 5'25	AGILE	CNY	28-Mar-2024	Coupon	1
Greentown China Holdings	GRNCH 3.7'25	GRNCH	CNY	28-Mar-2024	Coupon	10
Xinhu Zhongbao Co	XINHUZ 11 '24	XINHUZ	USD	28-Mar-2024	Coupon	28
Risesun Real Estate Development	RISSUN 3 '28	RISSUN	USD	29-Mar-2024	Coupon	3
Risesun Real Estate Development	RISSUN 3 '28	RISSUN	USD	29-Mar-2024	Coupon	9
Road King Infrastructure	ROADKG 6.7 '24	ROADKG	USD	30-Mar-2024	Coupon	12
Sunac China Holdings Ltd.	SUNAC 6 '25	SUNAC	USD	30-Mar-2024	Coupon	15
Sunac China Holdings Ltd.	SUNAC 6.25 '26	SUNAC	USD	30-Mar-2024	Coupon	16
Sunac China Holdings Ltd.	SUNAC 6.5 '27	SUNAC	USD	30-Mar-2024	Coupon	33
Sunac China Holdings Ltd.	SUNAC 6.75 '28	SUNAC	USD	30-Mar-2024	Coupon	51
Sunac China Holdings Ltd.	SUNAC 7 '29	SUNAC	USD	30-Mar-2024	Coupon	53
Sunac China Holdings Ltd.	SUNAC 7.25 '30	SUNAC	USD	30-Mar-2024	Coupon	26
Sunac China Holdings Ltd.	SUNAC 1 '32	SUNAC	USD	30-Mar-2024	Coupon	4
Greentown China Holdings	GRNCH 3.87'27	GRNCH	CNY	31-Mar-2024	Coupon	3
Sunac China Holdings Ltd.	SUNAC 4.78'24	SUNAC	CNY	1-Apr-2024	Maturity	402
Gemdale Ever Prosperity Investment	GEMDAL 3.55'25	GEMDAL	CNY	3-Apr-2024	Coupon	2
Gemdale Ever Prosperity Investment	GEMDAL 4.3'26	GEMDAL	CNY	7-Apr-2024	Coupon	3
Gemdale Ever Prosperity Investment	GEMDAL 3.91'26	GEMDAL	CNY	7-Apr-2024	Coupon	14
Gemdale Ever Prosperity Investment	GEMDAL 3.91'26	GEMDAL	CNY	8-Apr-2024	Put	348
Agile Property Holding	AGILE 6.5'24	AGILE	CNY	9-Apr-2024	Maturity	202
Agile Property Holding	AGILE 6.5'24	AGILE	CNY	9-Apr-2024	Coupon	13
CHINA SOUTH CITY HOLDING	CSCHCN 9 '24	CSCHCN	USD	11-Apr-2024	Coupon	15
CHINA SOUTH CITY HOLDING	CSCHCN 9 '24	CSCHCN	USD	12-Apr-2024	Maturity	291
Dalian Wanda Commercial Management Group	DALWAN 6.6'24	DALWAN	CNY	12-Apr-2024	Maturity	70
Dalian Wanda Commercial Management Group	DALWAN 6.6'24	DALWAN	CNY	12-Apr-2024	Coupon	5
Agile Property Holding	AGILE 6.05 '25	AGILE	USD	13-Apr-2024	Coupon	15
LANDSEA GREEN MANAGEMENT	LSEAGN 10.75 '24	LSEAGN	USD	20-Apr-2024	Coupon	5
Agile Property Holding	AGILE 5.5 '25	AGILE	USD	21-Apr-2024	Coupon	9
New Metro Global Ltd.	FTLNHD 6.6'24	FTLNHD	CNY	21-Apr-2024	Maturity	33
New Metro Global Ltd.	FTLNHD 6.6'24	FTLNHD	CNY	21-Apr-2024	Coupon	2
Greenland	GRNLGR 7.125 '29	GRNLGR	USD	22-Apr-2024	Coupon	13
Guangzhou R&F	GZRFPR 6.3'24	GZRFPR	CNY	23-Apr-2024	Maturity	139
Guangzhou R&F	GZRFPR 6.3'24	GZRFPR	CNY	23-Apr-2024	Coupon	9
Zensun Enterprise Holdings	ZENENT 12.5 '24	ZENENT	USD	23-Apr-2024	Maturity	160
Zensun Enterprise Holdings	ZENENT 12.5 '24	ZENENT	USD	23-Apr-2024	Coupon	10
Greentown China Holdings	GRNCH 3.8'25	GRNCH	CNY	27-Apr-2024	Coupon	5
Greentown China Holdings	GRNCH 3.29'25	GRNCH	CNY	27-Apr-2024	Coupon	2
Greentown China Holdings	GRNCH 3.29'25	GRNCH	CNY	28-Apr-2024	Put	70
Greentown China Holdings	GRNCH 3.55'25	GRNCH	CNY	28-Apr-2024	Coupon	7
Sunac China Holdings Ltd.	SUNAC 4.78'24	SUNAC	CNY	28-Apr-2024	Coupon	19
Greentown China Holdings	GRNCH 4.7 '25	GRNCH	USD	29-Apr-2024	Coupon	10

*This excludes the amortization payment from exchange offers or consent solicitations

Source: BofA Global Research, Bloomberg, Wind

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Top and bottom ten performers

Exhibit 18: Top 10 performers in China property over the last week & YTD on total return basis

Bottom 10 performers in China property in this week & YTD

Issuer	Total Return (1-week)	Issuer	Total Return (YTD)
Investment Grade China property			
CHJMAO 3.2% 2026	1.88%	COGO 2.45% 2026	1.98%
COGO 2.45% 2026	0.66%	GRNCH 2.3% 2025	1.22%
YUEXIU 2.8% 2026	0.33%	CHIOLI 3.45% 2029	0.91%
CHIOLI 6.45% 2034	0.16%	CHJMAO 3.2% 2026	0.86%
CHIOLI 3.45% 2029	0.15%	YUEXIU 2.8% 2026	0.47%
CHIOLI 2.75% 2030	0.05%	CRHZCH 4.125% 2029	0.45%
GRNCH 2.3% 2025	0.05%	CHIOLI 2.375% 2025	0.35%
CHIOLI 2.375% 2025	0.03%	CHIOLI 2.75% 2030	-0.17%
CRHZCH 4.125% 2029	-0.04%	CHIOLI 4.75% 2028	-0.24%
CHIOLI 3.05% 2029	-0.21%	CHIOLI 3.05% 2029	-0.53%
High Yield China property			
RONXIN 7.1% 2025	27.40%	RONXIN 7.1% 2025	82.00%
CHJMAO 6% 2026	0.37%	AGILE 6.05% 2025	27.76%
GRNCH 5.65% 2025	-0.87%	ROADKG 6% 2025	25.43%
GRNCH 4.7% 2025	-1.25%	ROADKG 5.9% 2025	21.50%
ROADKG 6% 2025	-1.52%	AGILE 5.5% 2025	20.35%
PINGRE 3.25% 2025	-2.32%	ROADKG 5.125% 2026	19.69%
ROADKG 5.9% 2025	-2.67%	YLLGSP 5.125% 2026	19.26%
PINGRE 3.45% 2026	-4.16%	ROADKG 5.2% 2026	17.80%
YLLGSP 5.125% 2026	-4.95%	DALWAN 11% 2026	11.18%
LNGFOR 3.85% 2032	-5.08%	DALWAN 11% 2025	10.79%

Source: ICE Data Indices, LLC. (Data as of 24 January)

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Exhibit 19: Bottom 10 performers in China property over the last week & YTD on total return basis

Top 10 performers in China property in this week & YTD

Issuer	Total Return (1-week)	Issuer	Total Return (YTD)
Investment Grade China property			
VNKRLE 3.5% 2029	-9.11%	VNKRLE 3.5% 2029	-7.43%
VNKRLE 3.975% 2027	-7.66%	VNKRLE 3.975% 2027	-5.98%
VNKRLE 3.15% 2025	-3.50%	VNKRLE 3.15% 2025	-2.80%
CHIOLI 5.35% 2042	-0.91%	CHIOLI 5.35% 2042	-1.77%
CHIOLI 6.375% 2043	-0.89%	CHIOLI 6.375% 2043	-1.74%
CHIOLI 4.75% 2028	-0.28%	CHIOLI 6.45% 2034	-0.74%
CHIOLI 3.05% 2029	-0.21%	CHIOLI 3.05% 2029	-0.53%
CRHZCH 4.125% 2029	-0.04%	CHIOLI 4.75% 2028	-0.24%
CHIOLI 2.375% 2025	0.03%	CHIOLI 2.75% 2030	-0.17%
GRNCH 2.3% 2025	0.05%	CHIOLI 2.375% 2025	0.35%

Exhibit 19: Bottom 10 performers in China property over the last week & YTD on total return basis

Top 10 performers in China property in this week & YTD

Issuer	Total Return (1-week)	Issuer	Total Return (YTD)
High Yield China property			
FTLNHD 4.5% 2026	-11.79%	FTLNHD 4.625% 2025	-8.93%
AGILE 6.05% 2025	-11.46%	FTLNHD 4.5% 2026	-8.55%
AGILE 5.5% 2025	-11.37%	LNGFOR 3.85% 2032	-6.52%
FTLNHD 4.625% 2025	-11.05%	LNGFOR 3.95% 2029	-6.06%
LNGFOR 4.5% 2028	-8.83%	LNGFOR 4.5% 2028	-2.54%
LNGFOR 3.95% 2029	-8.33%	CHJMAO 4.25% 2029	-0.81%
DALWAN 11% 2026	-7.31%	CHJMAO 6% 2026	1.09%
ROADKG 5.125% 2026	-6.63%	GRNCH 4.7% 2025	1.43%
DALWAN 11% 2025	-6.37%	PINGRE 3.25% 2025	1.60%
CHJMAO 4.25% 2029	-6.07%	PINGRE 3.45% 2026	1.75%

Source: ICE Data Indices, LLC. (Data as of 24 January)

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Exhibit 20: Summary of key events and policy

Key events and policy that drive China HY property spread performance

Date	Key credit events and policy that drive spread performance
1-Feb-21	China Fortune Land defaulted.
21-Mar-21	Yuzhou announced unexpected profit warning.
26-May-21	Regulator investigated Evergrande for related transactions with Shengjing Bank.
25-Jul-21	Announcement of the education policy; ban companies that teach school curriculums from making profits, raising capital or going public.
31-Aug-21	Evergrande announced 1H21 results, concerns of default risk.
End of Sep' 21	Evergrande missed coupon payment, Sinic down from 90 to 45pts in a day.
4-Oct-21	Fantasia defaulted on USD bonds.
Mid Oct' 21	Policy on mortgage easing.
23-Oct-21	Announcement of expansion of property tax pilot project.
Early Nov' 21	Trust loan defaulted by Kaisa, distressed exchange offer of Yango.
22-Nov-21	China Aoyuan appointed financial advisor to assess capital structure.
25-Nov-21	Kaisa proposed distressed exchange offer.
6-Dec-21	Universal RRR cut announced; effective on 12/15/2021.
20-Dec-21	5bps 1yr LPR (loan prime rate) cut.
31-Dec-21	Rebalancing of HY index, removal of defaulted issuers (FTHDGR, MOLAND, KAISA, TIANHL/EVERRE).
mid-Dec'21 to mid-Jan '22	More developers proposed exchange offers; growing concerns on Shimao; equity/debt raising news of Sunac and Country Garden.
17-Jan-22	PBoC cut the 1-year MLF (medium-term lending facility) rate by 10bps.
19-Jan-22	News on easing of presale funds rule.
20-Jan-22	10bps 1-year LPR (loan prime rate) cut; 5bps 5-year LPR (loan prime rate) cut.
26-Jan-22	News: China financial regulators met several AMCs to discuss about their roles in developers' asset disposal and M&A.
27-Jan-22	Evergrande aims to release its restructuring plan within six months.
28-Jan-22	Hopson announced that PricewaterhouseCoopers (PwC) resigned as the auditor of the company.
9-Feb-22	PBoC and CBIRC announced that loans related to subsidized rental housing constructions will not be subject to real estate loan caps.
10-Feb-22	Nationwide presale funds rule has been established: funds beyond the escrow threshold can be accessible to developers and fund release schedule depends on local government.
Since mid-Feb' 22	More easing measures rolled out in the property market, incl. lower down payment ratio, lower mortgage rate, relaxation of land auction rules.
Since mid-Feb' 22	More developers proposed exchange offers, such as Yida, Guorui, Zhenro, Jingrui.
16-Feb-22	Shimao is in discussion with CITIC Trust to extend CNY6bn loans.
23-Feb-22	Shimao has not reached agreement with CITIC Trust on loan extension and may fail to repay its onshore ABN due on May 17.
28-Feb-22	Modern Land proposed offshore bond restructuring plan.
2-Mar-22	Dafa and Shimao appointed financial advisors for the debt restructuring.
7-Mar-22	Yuzhou defaulted on US\$5.7bn due to missed interest payment and cross default.
17-Mar-22	Minister of Finance (MoF), China Banking and Insurance Regulatory Commission (CBIRC), China Securities Regulatory Commission, PBoC and State Administration of Foreign Exchange set out positive tones to support property market in response to State Council's call on March 16.
Late Mar' 22	Several developers announced to delay the audited FY21 results publication.

Exhibit 20: Summary of key events and policy

Key events and policy that drive China HY property spread performance

Date	Key credit events and policy that drive spread performance
25-Mar-22	PwC plans to gradually exit auditing Chinese private property developers per REDD.
15-Apr-22	The People's Bank of China (PBoC) announced on April 15 that it would lower the reserve requirement ratio (RRR) by 25bp, effective on April 25.
12-May-22	Sunac failed to pay coupon on one of its USD bonds and triggered cross defaults.
20-May-22	5Y LPR (loan prime rate) cut by 15bp to 4.45%; with the lower bound of the mortgage rate cut by 20bp.
22-Jun-22	Country Garden was downgraded to Ba1 from Baa3, negative outlook, by Moody's.
4-Jul-22	Shimao default on one of its 2022 note, and triggered cross defaults of all its offshore bonds, totaling US\$5.72bn.
11-Jul-22	Homebuyers of >35 projects in various cities have announced termination of mortgage repayments due to construction suspension and delay.
15-Aug-22	Chinese regulators plan to provide liquidity support to selected developers via state-guaranteed RMB bonds; the list includes Longfor, Gemdale, Country Garden, and CIFI, Seazen, and Sino-Ocean, according to REDD.
22-Aug-22	5-year/1-year LPR is lowered by 15/5bp to 4.3/3.65%.
22-Sep-22	Fed increased policy rate by 75bp, and projects a terminal rate close to 5.0% by early 2023
27-Sep-22	Media reported that CIFI missed payment on a trust product
10-Oct-22	CIFI defaulted on missing CB coupon
8-Nov-22	NAFMII & PBoC announced plans to grant RMB250bn financial support to China POE
11-Nov-22	China cut the quarantine requirement to 8 days
14-Nov-22	China eased the presale regulation: allowing developers to retrieve up to 30% of escrow account fund with bank letter of guarantee.
15-Nov-22	PBoC and CBIRC co-announced 16-point to support property sector
27-Nov-22	Chinese banks start to offer credit lines to developers
29-Nov-22	CSRC relaxed A/H share equity financing for property sector
7-Dec-22	China has further eased Covid restrictions, announcing 10 new measures on Dec 7.
9-Dec-22	CSRC expands C-REIT pilot to include commercial real estate and regular rental apartments.
13-Dec-22	ICBC provides US\$300mn offshore loan to COGARD
19-Dec-22	State Council calls for support for cash-strapped developers to boost economic growth
26-Dec-22	China downgraded COVID management from Class A to Class B infection, a major COVID policy change; quarantine requirements for inbound travelers will be scrapped from Jan 8
5-Jan-23	PBoC loosens mortgage rates for cities with home price declines
10-Jan-23	China PBoC and CBIRC urged banks to help high-quality & systemically important developers reduce risks and improve their balance sheets
20-Feb-23	CSRC launched a pilot program for real estate private equity investment funds
17-Mar-23	The People's Bank of China (PBoC) announced 25bp RRR cut, effective on Mar 27
21-Mar-23	Sino-Ocean planned to defer the perp coupon payment
29-Mar-23	Sino-Ocean decided to repay the perp coupon
31-Mar-23	Sino-Ocean missed amortization of syn loan
30-Apr-23	Zhuhai Wanda's IPO exceeded the 6-month expiry period
20-Jun-23	China cut 1yr/5yr LPR by 10bp to 3.55%/4.20%
28-Jun-23	Dalian Wanda's application for registration of public onshore bonds got suspended by CSRC
29-Jun-23	Zhuhai Wanda filed its IPO again
5-Jul-23	Sino-Ocean is working with its two SOE shareholders (China Life & Dajia Life) regarding a holistic risk mitigation plan
11-Jul-23	PBoC & NFRA have announced: (1) existing loans provided to developers maturing before end-'24 (previously May'23) can be extended for 1 year; (2) banks will not adjust downward the risk classification of loans provided to developers before end-'24 (previously May'23)
14-Jul-23	Sino-Ocean has not paid the coupon of 2.7% '25 notes due on Jul 13.
19-Jul-23	Sino-Ocean seeks a 1-year extension for the RMB2bn onshore bond due Aug 2
19-Jul-23	Greenland defaulted on the 6.75% '24 note amortization payment due on June 25
20-Jul-23	Dalian Wanda reportedly has a shortfall of US\$200mn on the 6.875% notes (US\$400mn) maturing on Jun 25
25-Jul-23	Politburo meeting omitted the phrase "house is for living, not for speculation", and stressed to 1) optimize and adjust property policies; 2) revitalize the outstanding stocks; 3) refurbishment of urban villages in large cities
26-Jul-23	Sino-Ocean proposed to extend coupons of 3 USD bonds, and has engaged advisers to explore options for offshore debt
1-Aug-23	PBOC said that it will continue to guide banks to lower mortgage rates & down payment ratios for housing purchases in 2H23

Exhibit 20: Summary of key events and policy

Key events and policy that drive China HY property spread performance

Date	Key credit events and policy that drive spread performance
7-Aug-23	Country Garden missed the coupons of two offshore bonds due on Aug 6 (4.2% '26 & 4.8% '30), and the company is reportedly optimizing its capital arrangements
11-Aug-23	Sino-Ocean has received requisite consent to extend coupon of '24 bond by 2 months
14-Aug-23	Country Garden plans to extend the RMB3.9bn onshore bond by 3yrs with amortization payment according to Bloomberg
21-Aug-23	China cut 1-year LPR by 10bps to 3.45%
30-Aug-23	Chinese state banks are proposing to cut interest rates on existing mortgages and deposits
4-Aug-23	Many cities have announced loosening of definition of 1st home buyers, following Beijing, Shanghai, Guangzhou, Shenzhen, etc.
12-Sept-23	Guangzhou announced to cut the min. down payment ratio to 30% (from 50%)/40% (from 70%) for 2nd home buyers have/ haven't paid off mortgages, and also cut the 1st/2nd home mortgage rate to LPR-10bps (from LPR)/LPR+30bps (from LPR+60bps).
19-Sept-23	Guangzhou relaxed Home Purchase Restrictions
26-Sept-23	China Evergrande is unable to meet qualifications to issue new notes under the proposed restructuring of its offshore debt, and its Chairman has been taken away by police and is currently under police control
04-Oct-23	China SCE unable to repay an instalment of its syndicated loan, which had resulted in an event of default under its USD bonds.
10-Oct-23	Country Garden failed to make a HKD470mn due payment, and it expects not to be able to meet all of its offshore payment obligations when due/ within the grace periods.
6-Nov-23	Vanke held a call with Shenzhen SASAC and Shenzhen Metro to discuss potential support to Vanke.
15-Nov-23	Moody's downgraded Longfor to Ba1 from Baa3, and downgraded Longfor's senior unsecured debt rating to Ba2 from Baa3, with negative outlook
20-Nov-23	Sunac has satisfied all the offshore debt restructuring (RSA) conditions.
23-Nov-23	Chinese regulators are drawing up a "white list" of 50 developers eligible for funding support, which reportedly includes Country Garden, Sino-Ocean, Cifi, etc.
04-Jan-24	Shenzhen rolled out its drafted guidelines on urban village revitalization (UVR) - the second major city following Guangzhou to publish such guidelines
05-Jan-24	PBoC and NFRA called for financial support for construction and operation of long-term rental housing
10-Jan-24	Vanke briefed creditors about its 2024 repayment plan, and Longfor announced to repay two syndicated loan due in 2025 ahead of schedule
12-Jan-24	MoHURD and the NFRA made a joint announcement to support developers' financing, and local government will draw up a list of projects eligible for financing support to be sent to financial institutions per media reports.
12-Jan-24	Guangzhou approved the urban village refurbishment plan, aiming to redevelop 165 urban villages by end-2035
24-Jan-24	China to cut RRR by 50bps effective on Feb 5, while 1yr/5yr LPR will keep unchanged at 3.45%/4.2%
25-Jan-24	Regulators allow bank loans pledged by developers' commercial properties to be used to repay developers' other loans and bonds. Also, the LTV ratio cannot exceed 70% (vs.50% before) and the tenor of such debt is at most 15 years

Source: Bloomberg, Media news

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