

CMBI Credit Commentary

GRNLGR – Shanghai government's liquidity support

On 29 Nov, Greenland's largest shareholders Shanghai Real Estate Group and Shanghai Chengtou Group (both 100% owned by Shanghai SASAC) signed an agreement to subscribe for 60% stake in a Greenland's subsidiary for RMB 3bn (USD 460mn)

This RMB 3bn is in essence a shareholder's loan, instead of an equity injection as there is a repurchase agreement by Greenland 2 years later, and with 8% annual interest rate. Nonetheless, this shows support from Shanghai local government.

Recall there is no progress in Greenland's shareholders' reform and Shanghai local government still remains its largest shareholder. **Shanghai Real Estate Group and Shanghai Chengtou Group currently has 25.8% stake and 20.6% stake in Greenland Holding.** GRNLGR curve has been a recent outperformer, and GRNLGR is on track to repay its USD500mn puttable bond on 16 Dec 2021.

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