

CMBI Credit Commentary - CHIGRA

CHIGRA: CHIGRA '22 will be money good

CHIGRA '22 80

CHIGRA: announced signing a syndicated loan of USD 130mn (with upside potential to USD 280mn) today ([link to announcement](#)). Although this is below management's previous guidance of USD 200mn (with upside potential to USD 250mn – USD 300mn), we view the signing of this syndicated loan can help address a large part of upcoming maturity pressure in Mar – Apr 22, including

- a) offshore syndicated loan USD 358mn (c. RMB 2.3bn)
- b) onshore SCP RMB 400mn
- c) onshore bond of RMB 950mn puttable in March 2022
- d) USD notes CHIGRA 8.625% '22 (USD 253mn O/S, RMB1.7bn)

As per our communication with management yesterday, most of the c) puttable bond (O/S RMB 950mn) did not registered to put back. Management's plan is to repay CHIGRA 8.625% '22 USD notes (O/S USD 253mn) with internal resources in April '22. We expect CHIGRA'22 to be money good, given its free cash balance of c. RMB 7bn as of Dec 21 and its progress in refinancing. CHIGRA '22 has moved up 5-8 pts from its low 75 since mid-Feb. **We upgrade our recommendation on CHIGRA '22 to Buy on high repayment visibility, while maintaining Hold on CHIGRA 9.125 '24 at 73 and CHGRAU Perp at 56.**

Polly Ng 吴宝玲

(852) 3657 6234
pollyng@cmbi.com.hk

Glenn Ko, CFA 高志和

(852) 3657 6235
glennko@cmbi.com.hk

James Wen 温展俊

(852) 3757 6291
jameswen@cmbi.com.hk

CMBI Fixed Income

fis@cmbi.com.hk

China Grand Auto - Capital Structure

Notes:

USDRMB exchange rate assumed to be: 6.5

China Grand Auto (600297.HK)

<i>in millions</i>	2021/09/30 RMB	2021/09/30 USD	Coupon	Maturity	Put-table Date
Cash and Cash Equivalent	18,847	2,900		N/A	
Total Liquidity	18,847	2,900			
19广汇汽车MTN001	192	30	7.2%	28/1/2022	
19汽车01	4,000	454	7.6%	29/1/2022	
21广汇汽车SCP001	400	62	7.1%	26/3/2022	
20汽车G1	950	146	7.5%	27/3/2023	27/3/2022
CHIGRA 8.625% 2022	1,644	253	8.6%	8/4/2022	
19汽车02	1,000	154	7.2%	25/9/2022	25/9/2021
20汽车01	1,000	154	7.4%	26/11/2023	26/11/2022
2022 Total Bond Maturity & Put	6,186	952			
20广汇G2	550	85	7.0%	30/10/2023	
CHIGRA 9.125% 2024	1,506	232	9.1%	30/1/2024	
21汽车01	1,000	154	7.5%	30/3/2024	30/3/2023
21汽车G1	500	77	7.5%	16/12/2024	
广汇转债	3,367	518	0.4%	18/8/2026	
2023 onward Total Bond Maturity & Put	6,923	2,968			

CMB International Securities Limited

Fixed Income Department

Tel: 852 3761 8867/ 852 3657 6291

fis@cmbi.com.hk

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