

Yunnan Provincial Energy Investment Group Co., Ltd.

Initial Issuer Report

Summary

Issuer Rating	A-
Outlook	Stable
Location	China
Industry	Local Government Financing Vehicle
Date	21 September 2022

Key Figures of Yunnan and YEIG

(RMB billion)	2020	2021
Yunnan		
GDP	2,452.2	2,714.7
GDP growth rate (%)	4.0	7.3
Budgetary revenue	211.7	227.8
Government fund	155.8	108.7
Transfer payment	449.4	386.4
Budgetary expenditure	697.4	663.4
YEIG		
Asset	205.6	231.4
Equity	74.5	85.1
Revenue	131.5	140.0

Source: Yunnan Finance Bureau, YEIG and Lianhe Global's calculations

Lianhe Ratings Global Limited ("Lianhe Global") has assigned 'A-' global scale Long-term Issuer Credit Rating with Stable Outlook to Yunnan Provincial Energy Investment Group Co., Ltd. ("YEIG" or "the company")

Summary

The Issuer Credit Rating reflects a high possibility that the People's Government of Yunnan Province ("Yunnan government") would provide strong support to YEIG if needed, in light of its majority ownership of YEIG, YEIG's strategic position as the most important state-owned energy entity for the investment and development of green energy industry of Yunnan and the strong linkage between the Yunnan government and YEIG, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Yunnan government may face significant negative impact on its reputation, business and financing activities should YEIG encounter any operational or financial difficulties.

The Stable Outlook reflects our expectation that YEIG's strategic importance would remain intact while the Yunnan government will continue to ensure YEIG's stable operation.

Rating Rationale

Yunnan Government's Ownership and Strong Supervision: The Yunnan government indirectly holds the majority ownership of YEIG through Yunnan Provincial Investment Holding Group Co., Ltd., via the State-owned Assets Supervision and Administration Commission of the Yunnan government ("Yunnan SASAC"). The Yunnan SASAC is the ultimate shareholder as it has final decision-making rights and supervision over YEIG, including control of the board of directors, senior management appointments, major strategic, investment and financing plans. In addition, the Yunnan SASAC will appoint an auditor to audit the operating performance and financial of YEIG.

Strategic Importance and Strategic Alignment: As the most important and leading state-owned entity that is responsible for the development of green energy industry and the integration of energy resources of Yunnan, YEIG plays a strategic important role for energy projects investment, construction and operation in the region. The company mainly invests in hydropower, thermal power, wind power, green silicon, natural gas, solar and other new energy projects that are of strategic importance to the economic and energy development of Yunnan. YEIG is also the main entity facing the Southeast Asia market in the development plan of the "Belt and Road Initiative", such it has expanded the energy business cooperation with other countries, such as Myanmar, Laos as well as South Africa, etc. YEIG's strategic planning and development have been aligned with the local government's economic and social policies, aiming to develop Yunnan's economic and the green energy industry. In addition, YEIG is a key provincial level government-owned entity in Yunnan which has a relatively sizable amount of offshore debt outstanding, the Yunnan government and government-owned entities in the region may face significant negative impact on its reputation, business and financing activities should YEIG encounter any operational or financial difficulties.

Ongoing Government Support: YEIG has received supports from the Yunnan government, including but not limited to capital injections, equity transfers, government subsidies, allocation of energy resources or assets, policies support and financial support,

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Applicable Criteria

China Local Government Financing Vehicle Criteria (31 December 2021)

etc. YEIG had received equities transferred from the Yunnan SASAC between 2019 and 2021, with a total book value of c. RMB28 billion, and had received a total amount of RMB1 billion as capital injection from the Yunnan Provincial Department of Finance between 2019 and 2020. YEIG has received financial subsidies and/or rewards for supporting its business operation, and also benefits from preferential tax and/or tax exemption policies in encouraged industries. We believe YEIG is likely going to receive government support in the form of operational and/or financial subsidies.

Moderately Weak Financials with Relatively High Debt Burden: YEIG's financial leverage as measured by total liabilities/total assets was relatively high at 65.7% at end-June 2022. Due to the strategic development plan of YEIG, we expect that the financial leverage of YEIG would slightly increase to c. 70%. At end-June 2022, YEIG had a cash balance of c. RMB22 billion and a total credit line of approximately RMB152 billion, of which c. RMB48 billion was available, compared with its debt to be due within one year of c. RMB78 billion. However, YEIG has wide access to onshore and offshore financing channels including bank borrowings, syndicated loans, corporate bonds, non-traditional financing channels and access to equity market through its listed subsidiaries, Yunnan Energy Investment Co., Ltd. (002053.SZ), etc. YEIG issued USD230 million of green and sustainable bonds in the offshore market in April 2022. In addition, YEIG holds stocks of listed companies that could support its liquidity when necessary.

Moderately Weak Economic and Fiscal Conditions of Yunnan: Yunnan is located at the southwest of China and it has geographic advantage to promote border trade with the South and Southeast Asia nations. The GDP of Yunnan reached approximately RMB2,714.7 billion, representing a year-over-year growth rate of 7.3% in 2021, which was ranked 18th in terms of the GDP size in China. Yunnan's aggregate fiscal revenues were mainly derived from budgetary revenue and transfer payment from the central government. Yunnan's budgetary revenue maintained stable growth and tax revenue accounted for approximately 65%-70% of its budgetary revenue in the past three years. However, the land transfer income is vulnerable due to the influence of macro-control policies, resulting in large fluctuation in the total government-managed fund income. The fiscal self-sufficiency rate of Yunnan was relatively low such that it relies on transfer payment received from the central government. On the leverage front, at end-2021, Yunnan had approximately RMB1,095.2 billion outstanding debt (compared with its outstanding debt of RMB959.2 billion at end-2020), including RMB565.0 billion of general obligations and RMB530.1 billion for special projects.

Rating Sensitivities

We would consider downgrading YEIG's rating if (1) there is a perceived weakening in support from the Yunnan government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Yunnan government's ownership of YEIG, or (3) there is a downgrade in our internal credit assessment on the Yunnan government.

We would consider upgrading YEIG's rating if (1) there is strengthened support from the Yunnan government, or (2) there is an upgrade in our internal credit assessment on the Yunnan government.

Operating Environment

Economic Condition of Yunnan Province

Yunnan is located at the southwest border of China and adjoin to Myanmar, Laos and Vietnam. It has geographic advantage to promote border trade and is positioned as a radial center facing the South and Southeast Asia region in the development plan of “Belt and Road Initiative”. Yunnan has jurisdiction over 8 prefecture-level cities and 8 autonomous prefectures with a total land area of c. 394,100 square kilometers. Yunnan has the largest number of ethnic groups in China. According to the 7th population census, the residential population of Yunnan was about 46.9 million (the urbanization rate was c. 51%), of which the minority population accounted for c. 33%.

The GDP of Yunnan reached approximately RMB2,714.7 billion, representing a year-over-year growth rate of 7.3% in 2021, which was ranked 18th in terms of the GDP in China. The economic growth was mainly fueled from the secondary and tertiary industries, of which the tertiary industry accounted for the largest of 50.4% and the secondary industry accounted for 35.3% of its GDP size in 2021. GDP per capita of Yunnan was c. RMB57,700 and disposable income per capita was c. RMB25,700 in 2021, representing a year-over-year growth of 7.5% and 10.2%, respectively.

Yunnan's GDP and Fixed Asset Investment

(RMB billion)	2019	2020	2021
GDP	2,322.4	2,452.2	2,714.7
-Primary industry (%)	13.1	14.7	14.3
-Secondary industry (%)	34.3	33.8	35.3
-Tertiary industry (%)	52.6	51.5	50.4
GDP growth rate (%)	8.1	4.0	7.3
Fixed asset investment	2,237.1	2,409.3	2,505.7
Fixed asset investment growth rate (%)	8.5	7.7	4.0
Residential Population (million)	48.6	47.2	46.9

Source: Bureau of Statistics of Yunnan and Lianhe Global's calculation

Fiscal Conditions of Yunnan

Yunnan's aggregate fiscal revenues were mainly derived from budgetary revenue and transfer payment from the central government. Yunnan's budgetary revenue maintained stable growth and tax revenue accounted for approximately 65%-70% of its budgetary revenue in the past three years. However, as the main income of the government-managed fund, the land transfer income is vulnerable due to the influence of macro policy control, resulting in large fluctuation in the total government-managed fund income. The self-sufficiency rate of Yunnan was low, only accounted for approximately 30% - 34% in the past three years, although the fiscal deficit ratio had improved in 2021. Yunnan relies on transfer payment received from the central government, given its relatively weak fiscal strength. We expect ongoing economic development to support Yunnan's budgetary revenue growth and continue to receive transfer payment from higher level of government, while land transfer planning remains a key factor affecting government-managed fund income.

Yunnan's debt ratio (i.e. total government debt divided by aggregate revenue) remains moderately high. At end-2021, Yunnan had approximately RMB1,095.2 billion outstanding debt (compared with its outstanding debt of RMB959.2 billion at end-2020), including RMB565.0 billion of general obligations and RMB530.1 billion for special projects.

Yunnan's Fiscal Conditions

(RMB billion)	2019	2020	2021
Budgetary revenue	207.4	211.7	227.8
Budgetary revenue growth rate (%)	4.0	2.1	7.6
Tax revenue	145.1	145.3	151.4
Tax revenue (% of budgetary)	70.0	68.7	66.5
Government fund income	159.1	155.8	108.7
Transfer payment	386.4	449.4	386.4
Aggregate revenue	755.3	823.5	727.7
Budgetary expenditure	677.0	697.4	663.4
Budget deficit ¹ (%)	-226.5	-229.5	-191.2

¹ Budget deficit = (1-budgetary expenditure / budgetary revenue) * 100%

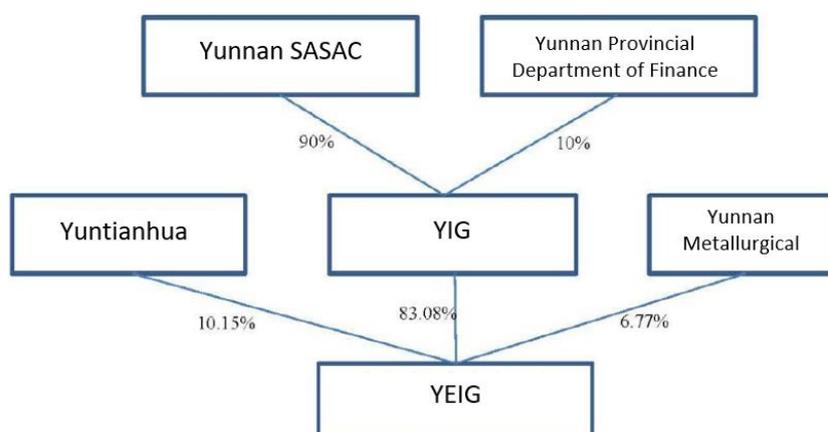
Source: Yunnan Finance Bureau and Lianhe Global's calculations

Ownership Structure and Profile

Government's Ownership with Strong Supervision

YEIG was established in February 2012, with an initial registered capital of approximately RMB10.2 billion under the approval of Yun Zheng Fu [2012] No.4 issued by the Yunnan government. It was formed by transferring electric power and equity assets (at book value) of Yunnan Provincial Investment Holding Group Co., Ltd. ("YIG") [云南省投资控股集团有限公司], which was a wholly state-owned entity of the State-owned Assets Supervision and Administration Commission of Yunnan government ("Yunnan SASAC"). In December 2012, through the capital increase from Yuntianhua Group Co., Ltd. ("Yuntianhua") [云天化集团有限责任公司] and Yunnan Metallurgical Group Co., Ltd. ("Yunnan Metallurgical") [云南冶金集团股份有限公司], the registered capital of YEIG was increased to c. RMB11.6 billion, and then Yuntianhua and Yunnan Metallurgical held 9.95% and 6.64% of YEIG's equity, respectively. In December 2013, YEIG further increased its paid-in capital by transferring its capital reserve, and the equity shares held by YIG, Yuntianhua and Yunnan Metallurgical changed to 83.08%, 10.15% and 6.77%, respectively. At end-June 2022, the registered capital of YEIG was approximately RMB11.7 billion and the Yunnan SASAC was the actual controller of YEIG through YIG.

The shareholding structure of YEIG at end-June 2022:



Source: YEIG and Lianhe Global

Note: 1. Yunnan SASAC transferred 10% of equity of YIG to Yunnan Provincial Department of Finance in 2018.

2. Yuntianhua is 64.17% owned by Yunnan SASAC, 8.88% owned by YEIG and 7.13% owned by Yunnan Provincial Department of Finance.

3. Yunnan Metallurgical is 99.99% owned by China Copper Co., Ltd. ("China Copper") [中国铜业有限公司].

Strategic Importance and Government Linkage

The Strategic Importance of YEIG to Yunnan

YEIG is the most important state-owned energy entity responsible for the development of energy sector in Yunnan. We believe that the Yunnan government is willing to extend support to YEIG in view of its strategic important role as the most important and leading state-owned energy entity for energy projects investment, construction and operation in Yunnan, to assist the implement of Yunnan government's energy strategies and to support the local energy development. It is also the main entity facing the Southeast Asia market in the development plan of the "Belt and Road Initiative".

YEIG is a key provincial level LGFV in Yunnan which has a relatively sizable amount of offshore debt outstanding. In addition, YEIG is the only provincial level LGFV which has an international credit rating and diversified funding channels at this time. We believe the Yunnan government and the government-owned entities in the region may face significant negative impact on its reputation, business and financing activities should YEIG encounter any operational or financial difficulties.

Strong Linkage with the Yunnan Government

YEIG's linkage with the local government is strong as the Yunnan government indirectly holds its majority stake through Yunnan SASAC, of which 83.06% was held through YIG. The Yunnan SASAC, which is appointed by the government to supervise state-owned entities, has final decision-making rights and supervision over YEIG. The Yunnan government has strong control and supervision over YEIG, including control of the board of directors, senior management appointments and major strategic, investing and financing plans. The Yunnan SASAC will appoint an auditor to audit the operating performance and financial of YEIG. YEIG's strategic planning and development have been aligned with the local government's economic and social policies, aiming to develop Yunnan's economic and the green energy sector.

Ongoing Government Support

YEIG has received supports from the local government, which are not limited to capital injections, equity transfers, government subsidies, allocation of energy resources or assets, policies support and guidance from the government in its daily management. YEIG had received equities transferred from the Yunnan SASAC between 2019 and 2021, with a total book value of c. RMB28 billion. It also received a total amount of RMB1 billion as capital injection from the Yunnan Provincial Department of Finance between 2019 and 2020. In addition, under the policy support, YEIG had received energy resources and/or assets under the approval of the Yunnan government.

YEIG has received financial subsidies and/or rewards from the local government mainly for supporting its business operation and/or special projects. YEIG also benefits from preferential tax and/or tax exemption policies in encouraged industries. YEIG received a total government subsidies of c. RMB901.8 million between 2019 and 2021, including but not limited to projects capital, projects subsidies, business performance rewards, etc. We believe YEIG is likely going to receive government support in the form of operational and/or financial subsidies.

Business Profile

The Most Important State-owned Energy Entity in Yunnan

As the most important and leading state-owned energy company based in Yunnan, YEIG engages in the investment and development of the energy sector to assist the implement of Yunnan government's energy strategies. As the major entity to promote the integrated development of energy industry, YEIG invests in hydropower, fossil fuel, wind power, natural gas, solar and other new energy projects that are of strategic importance to the economic and green energy development of Yunnan. Meanwhile, through its subsidiaries, YEIG diversifies its business into power generation and sales, coal mining and sales, natural gas operation, logistics and trading, financial business (such as equity investment, finance lease, factoring and fund management), development of industrial parks, salt chemical product and other chemical products, and expand the business cooperation with other countries in the Southeast Asia region.

The total revenue of YEIG was RMB112.3 billion, RMB131.5 billion and RMB140.0 billion in 2019, 2020 and 2021, respectively. The gross margin of YEIG remained below 10% during the past three years, mainly due to the logistics and trading business with the largest proportion but the lowest gross margin putting pressure on its profitability. The company is constantly optimizing its revenue structure by reducing its logistics business and turning to more energy-based businesses. For the first half of 2022, the revenue of YEIG reached RMB59.2 billion, while the revenue structure has changed into three sectors based on energy, logistics and digital economy business. YEIG's gross margin increased to 12.3% for the first half of 2022 from 7.2% in 2019, mainly due to the growth of energy business and the decline in logistics and trading, which was caused by the epidemic situation in Southeast Asia and the phased outbreaks in the eastern and southern China that led to a sharp decline in the business volume of the supply chain.



Power Generation and Sales

The power generation business is mainly divided into three components: 1) hydropower, 2) thermal power, and 3) new energy power. YEIG holds and/or participates in the construction of power stations, invests in construction projects including hydropower, thermal power, solar power, wind power, etc., and obtains income after projects completion and operation. At end-June 2022, YEIG held controlling interests in a number of power plants and also held non-controlling interests in other large power projects in Yunnan, with a total installed capacity of approximately 18,900MW, accounting for c. 17% of total installed capacity of

Yunnan. Benefiting from regional advantage, YEIG has expanded the energy business and cooperates with other countries (like Myanmar, Laos and Nepal, etc.), for example, the Thaketa Gas Fired Combined Cycle Power Plant in Myanmar. The power generation capacity of YEIG has maintained steady growth in recent years. With the investment and construction of other power projects, the power generation capacity of YEIG is expected to continue to improve in the future.

The revenue of power sales was approximately RMB2,028 million, RMB3,212 million and RMB4,026 million, accounting for c. 1.8%, 2.4% and 2.9% of the total revenue in 2019, 2020 and 2021, respectively. The main client of power sales is Yunnan Branch of China Southern Power Grid Company Limited [中国南方电网有限责任公司（云南分公司）], accounting for more than 90% of the power sales revenue. YEIG enjoys subsidy policy support in power sales as it is appointed as a leading company of green energy sector of Yunnan.

Coal Mining and Sales

YEIG is one of the most important implementation subjects for the development of the provincial coal industry and one of the professional platforms for resource integration and reorganization. YEIG has a number of coal mines and mining rights, mainly located in the Zhaotong, Qujing and Yuxi regions in Yunnan. Under the approval of the Yunnan government, YEIG has established a subsidiary, Yunnan Coal Industrial Group Co., Ltd. [云南省煤炭产业集团有限公司], to promote the development of coal industry. However, due to most of the coal mines are under construction and have not been put into production, YEIG mainly purchases coal from external procurement through the Yunnan Provincial Coal Trading Centre at this stage. With the integration of the coal resources in the province and the equity transfer of Yunnan Jinma Group Co., Ltd. [云南金马集团有限责任公司] (which has an annual production capacity of c. 10 million tons) from the Yunnan SASAC, the coal production capacity of YEIG will be greatly improved in the future. However, the pressure on capital expenditure of development will also increase.

The revenue of coal sales was approximately RMB9,198 million, RMB6,411 million and RMB8,245 million, accounting for c. 0.8%, 4.9% and 5.9% of the total revenue in 2019, 2020 and 2021, respectively. The gross margin of this business segment has narrowed mainly due to the impacts of policy and the market conditions. YEIG tries to improve its profitability by strengthening internal management and reducing costs.

Logistics and Trading Business

The logistics and trading business mainly consists of steel trading and other trading such as construction materials and other energy materials. The steel trading business operates through purchasing with suppliers and then selling to the clients, which mainly includes central and large state-owned enterprises with strong credit profiles in China and expands to the Southeast Asia region. YEIG employs three settlement methods including 1) payment-before-delivery; 2) payment-after-delivery and 3) cash-on-delivery, according to different market conditions. Other materials trading (such as sand and cement, etc.) accounts for small proportion of this business segment. The overall foreign exchange risk exposure is relatively low as the majority of counterparties are domestic companies.

The revenue of logistics and trading was approximately RMB96.3 billion, RMB103.9 billion and RMB107.0 billion, accounting for c. 85.8%, 79.0% and 76.4% of the total revenue in 2019, 2020 and 2021, respectively. YEIG's total operating gross margin has been put under pressure in view of the largest proportion of this business segment and the lowest gross margin at below 1%.

Investment Business

As the key investment and financing platform in Yunnan, YEIG is responsible for the investment, development, construction and operation of energy resources and projects. Equity investment is deemed to be the major form in the sector. YEIG held non-controlling interests in some power companies that hold large hydropower projects in Yunnan, most of which are subsidiaries of large state-owned power companies controlled by the State Council (such as China Huaneng Group Co., Ltd. [中国华能集团有限公司], China Huadian Corporation Ltd. [中国华电集团有限公司] and China Guodian Corporation [中国国电集团], etc.). The stocks of the listed companies worth more than RMB70 billion, which could improve the assets liquidity of YEIG. The returns and/or dividends from hydropower companies are the main income resource for its investment business, which reached RMB29.6 billion over the years with an annualized rate of return of 11.9%. YEIG has also engaged in financial investment sector, which helps the company generate income from financial advisory, leasing, factoring and other related businesses. However, the proportion of the financial investment is relatively small compared to that of equity investment.

The revenue of investment income was approximately RMB4.7 billion, RMB6.5 billion and RMB8.1 billion, accounting for c. 4.1%, 5.0% and 5.8% of the total revenue in 2019, 2020 and 2021, respectively. However, the percentage of gross profit contributed by this sector has continuously exceeded 50% of the total given its low-cost nature. The consolidation of Yunnan Rongju Development Investment Co., Ltd. [云南融聚发展投资有限公司], an investment company transferred from the Yunnan SASAC in 2021, will facilitate the development of this business sector.

Other Businesses

YEIG also involves other businesses such as natural gas operation, engineering construction, salt chemical, chemical products and new energy vehicles, among which the green silicon production and new energy vehicles related projects will be more heeded as they address the trends of green economy. YEIG has franchise rights of natural gas operation in certain area and is the only licensed company to produce edible salt and conduct its wholesale trade on a provincial level. What's more, YEIG has paid attention to develop the digital economy such as the "Energy Cloud" platform and continue to evolve its business by method of developing related software amid a string of "Digital Yunnan" initiatives, in order to contribute the major driving force and seize the opportunities of constructing new types of infrastructure.

Financial Profile

Balance Sheet Structure and Quality

Balance Sheet Structure and Quality					
(RMB million)	2019	2020	2021	1H2022	1H2022*
Total Assets	188,842	205,613	231,427	252,872	252,872
Equity	72,097	74,452	85,062	86,605	75,104
Debt	101,278	112,840	125,336	143,936	155,437
Debt / (Debt + Equity) (%)	58.4	60.3	59.6	62.4	67.4
LT Debt	65,684	69,012	58,488	69,294	80,795
LT Debt/(LT Debt + Equity) (%)	47.7	48.1	40.7	44.5	51.8

Note: * Adjusted numbers and ratios reflect the perpetual debts reallocating to long-term debts and total debts from equity

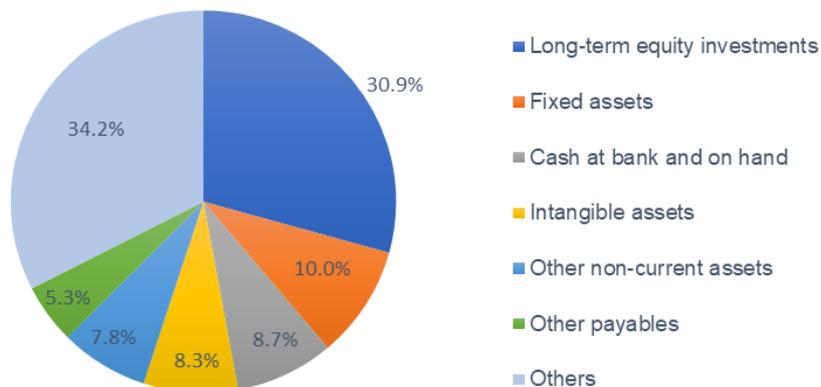
Source: YEIG's financial reports and Lianhe Global's calculations

YEIG's total assets showed a continuous growth trend in the past few years, with growth rate of 8.9%, 12.6% and 9.3% at end-2020, 2021 and end-June 2022, respectively. The asset increase was mainly due to the increase in long-term equity investment as a result of new holdings of 7.38% shares of China Copper and some new investments in new energy sector. The asset structure was stable, with long-term equity investments, fixed assets and cash at bank and on hand accounting for c. 50% of the total at end-June 2022. The long-term equity investment balance was RMB78.1 billion at end-June 2022, mainly in the form of the non-controlling interests in some large state-owned power companies. The fixed asset reached RMB25.4 billion at end-June 2022, mainly including some properties and equipment that related to its main energy industry.

YEIG's financial leverage (total liabilities to assets) was stable but relatively high at a level between c. 62% and 67% since 2019. We expect YEIG's financial leverage would slightly increase given its investment in the long-term projects related to the energy industry. Compared with the figures at end-2021, YEIG's total liabilities increased by 13.6% to RMB166.3 billion at end-June 2022, while its total equities remained essentially flat at around RMB86.6 billion at end-June 2022 with unchanged equity structure. The total adjusted debt of the company was approximately RMB143.9 billion, of which short-term debt accounting for the majority of c. RMB74.6 billion (part of short-term debt can be issued on a rolling basis). Debt over capitalization ratio was 62.4% at end-June 2022. YEIG mainly relies on external financing to support its capital expenditure.

Asset Breakdown

(Total assets: RMB252.9 billion at end-June 2022)



Source: YEIG and Lianhe Global's calculation

Cash Flow

Cash Flow (RMB million)	2019	2020	2021	6M2022
Cash Inflows from Operation	77,597	109,111	121,144	65,268
Cash Outflows from Operation	73,755	103,532	113,514	61,495
Net CF from Operation	3,842	5,579	7,630	3,773
Cash Inflows from Investment	13,037	15,865	12,272	10,071
Cash Outflows from Investment	32,318	29,163	22,851	17,524
Net CF from Investment	-19,282	-13,298	-10,579	-7,452
Cash Inflows from Financing	66,865	67,981	70,861	57,605
Capital Contribution	7,051	11,492	55	-
Borrowings	59,647	55,557	65,407	56,700
Others	168	932	5,399	904
Cash Outflows from Financing	49,553	60,558	72,355	45,385
Net CF from Financing	17,312	7,423	-1,494	12,220
Net Increase in Cash and cash equivalent	1,907	-396	-4,491	8,540

Source: YEIG's financial reports

Debt Servicing Capability

Debt Maturity Profile at end-June 2022		
(RMB million)	Amount	Percentage
2022 Q3	23,481	15.7%
2022 Q4	20,427	13.7%
2023 Q1	15,379	10.3%
2023 Q2	18,756	12.5%
2023 Q3	10,719	7.2%
2023 Q4	4,949	3.3%
2024	28,259	18.9%
2025	9,338	6.2%
2026 and there after	18,314	12.2%
Total	149,622	100.0%

Source: YEIG

At end-June 2022, YEIG had a cash balance of approximately RMB22 billion and a total credit line of approximately RMB152 billion, of which c. RMB48 billion was available, compared with its debt to be due within one year of c. RMB78 billion. However, YEIG has wide access to multiple financing channels including bank borrowings, syndicated loans, corporate bonds, non-traditional financing channels such as trust loans and finance leases, and access to the equity market through its main subsidiaries, Yunnan Energy Investment Co., Ltd. [云南能源投资股份有限公司] (stock code: 002053.SZ). In April 2022, YEIG issued USD230 million of green and sustainable bonds in the offshore market. The company also secured USD230 million of syndicated loan and is in the progress of obtaining another tranche of syndicated loan. In addition, YEIG holds stocks of listed companies worth more than RMB70 billion, which could support its liquidity when necessary. Bank loans, corporate bonds and other non-traditional financing channels accounted for c. 33%, 51% and 16% of YEIG's total debt at end-June 2022, respectively.

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