

The team (JunHe) is sought out by underwriters and issuers in respect of listings, bonds and preferred shares matters.

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## Panda Bonds

A “Panda Bond” is a renminbi-denominated bond issued by a foreign issuer on China’s domestic bond market. Multinational development institutions, foreign financial institutions, foreign non-financial institutions and sovereign governments are allowed to issue Panda Bonds on the onshore interbank bond market and/or stock exchange markets in China. A growing interest among foreign issuers in accessing China’s domestic bond market, the launch of the “Bond Connect” scheme, and the internationalization of the renminbi are just some of the factors that have prompted a range of foreign entities, and in particular sovereign governments and enterprises from the countries involved in the “Belt and Road” initiative, to issue Panda Bonds in China.

JunHe’s team has extensive knowledge and experience in the issue and ongoing management of Panda Bonds. Our range of top-flight legal services and outstanding bilingual capabilities, combined with our sound business sense, ensure we are able to provide the necessary support and professional service required by Panda Bond issuers. Moreover, our well-established communication channels and experience working with the regulatory authorities responsible for the oversight of Panda Bonds enables JunHe to undertake the bond issuance process in the most efficient manner.

Our Panda Bond clientele has to date included multinational development institutions, foreign financial and non-financial institutions and sovereign entities operating across a wide range of industry sectors, including banking, energy, industry, real estate and environmental. JunHe’s lawyers have advised on many landmark Panda Bond issuance projects and we are well-recognized for their outstanding delivery of professional legal services in this area.

### We are able to offer Panda Bond Issuers the following capabilities:

- **Determining the issuance plan:** assisting issuers to undertake a thorough analysis of the advantages and disadvantages of the various issuance plans and make recommendations as to the most appropriate plan;
- **Preparing the offering documents:** assisting issuers in preparing application letters, offering circulars and private placement agreements, underwriting agreements, custody agreements, account opening agreements and other filing and issuance documents in both Chinese and English;
- **Conducting due diligence reviews:** preparing due diligence checklists and conducting investigations;
- **Issuing legal opinion:** issuing legal opinion on PRC legal matters pursuant to the requirements of the applicable PRC laws and regulations, as well as the requirements of the regulatory authorities and issuers; working with foreign legal counsel, and assisting in reviewing and revising their legal opinions;

JunHe, founded in Beijing in 1989, is one of the first private partnership law firms in China. Since its establishment, JunHe has grown to be one of the largest and most recognized Chinese law firms. The firm has thirteen offices around the world and a team comprised of more than 800 professionals, including over 240 partners and legal counsel, as well as over 560 associates and legal translators.



They (JunHe) are rich in knowledge and experience with high professional standards and fast responses.

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- **Assisting with feedback:** assisting issuers to respond to the regulatory authorities' feedback and comments on the application documents;
- **Providing legal advice:** providing legal advice and suggestions on various PRC legal issues relating to Panda Bond issuance;
- **Witnessing the issuance process:** bearing witness to Panda Bonds offerings, reviewing investors' eligibility and issuing legal opinion as requested;
- **Services during the Panda Bond's term of tenure:** assisting issuers with disclosure compliance and providing current law updates throughout the Panda Bond's term.

#### Selected Deals

##### First Panda Bond issuance using a guarantee structure — Air Liquide Panda Bond

With JunHe's assistance, Air Liquide Finance registered with the National Association of Financial Market Institutional Investors ("NAFMII") in February 2018, for the private placement of a debt-financing instrument, going on to successfully complete Tranche I and II issuances in March 2018.

The bonds were issued by Air Liquide Finance and guaranteed by L'Air Liquide S.A., and were the first Panda Bond to be issued on the China Interbank Bond Market using a guarantee structure. Effecting this innovative Panda Bond issuance required numerous breakthroughs, including those relating to the use of proceeds, credit ratings, accounting principles and information disclosure.

##### First Panda Bond from a North American financial institution — National Bank of Canada Panda Bond

Thanks to JunHe's input, the National Bank of Canada was approved by the People's Bank of China in September 2016 to issue bonds totalling up to RMB 5 billion, and successfully completed the issuance of Tranche I in November 2016.

The successful approval and issuance of the National Bank of Canada Panda Bond necessitated various breakthroughs. These were the very first non-sovereign Panda Bond to be issued by a North American financial institution in mainland China, and one whose jurisdiction fell outside the scope of convergence of accounting/auditing standards. By volume, they represent the largest single tranche of Panda Bonds registered by a foreign financial institution to date.

##### First Panda Bond issuance by a Middle Eastern sovereign government — The Government of the Emirate of Sharjah Panda Bond

The Government of the Emirate of Sharjah was assisted by JunHe in its successful application to the People's Bank of China to register an issuance program of renminbi-denominated bonds totalling up to RMB 3 billion with NAFMII in November 2017. The first tranche launched successfully in February 2018.

Sharjah is the third largest emirate in the United Arab Emirates, situated centrally in the region. This was the first Panda Bond from a Middle East issuer sold on the Chinese interbank bond market.

JunHe was one of the first domestic law firms to be approved to advise on securities and capital markets and has placed this practice area at the core of the firm's growth and development. Throughout the years, JunHe has helped companies from diverse industries, countries and business stages to raise capital and achieve their corporate goals. Our clients benefit from our extensive knowledge of the legal framework and the practical realities of raising capital in China and overseas.