

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市場日報

- *The new ORIEAS 28 tightened another 2bps this morning. Chinese properties stabilized, and some AMs continued to buy at the cheaper price. VLLPM 29/SOFTBK 31 were 0.4-1.1pts higher, while LUSOIB 34/VNKRLE 27-29 were 0.6-1.2pts lower.*
- **FAEACO:** *Adj. net gearing ratio improved to 64.9% as of Sep'25 amid weaker 1HFY26 results. FAEACO Perp was 0.7pt lower this morning. See below.*
- **LASUDE:** *Lai Sun Garment and Lai Sun Development in talks over certain proposed disposal, terms not finalized and no definitive agreement reached. LASUDE 26 was 0.1pt higher this morning.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, the new HUANEN 4.15 Perp edged 0.1pt higher from RO at par on back of top-up demand from AMs. The new ORIEAS 28 closed 1bp tighter from RO at T+88, while Chinese TMT/AMC benchmarks leaked to 2-4bps wider. Long-end BNKEA/PINGIN and ZHOSHK 28 widened 1-3bps. NANYAN 7.35 Perp/LUSOIB 34 gained 0.8pt. FAEACO 12.814 Perp was up by 0.3pt. See our comment on FEC 1HFY26 results below. LASUDE 26 was 0.2pt higher. Shares trading were halted for both Lai Sun Development (LSD) and Lai Sun Garment (LSG) yesterday. LSD and LSG were in talks over certain proposed disposal which, we believe, is referring to the sales of 50% stakes in CCB Tower. BTSDF 28 was 0.1pt higher. Media reported H&H said it secured lender consent to increase onshore bilateral loan-to-EBITDA covenant to 1.25x from 0.85x in 9M25 results call. The new WESCHI 28 dropped another 1.1pts, while WESCHI 26 was 0.1pt higher. The NWDEVL complex were 0.3pt lower to 0.7pt higher. In Chinese properties, VNKRLE 27-29 plunged another 15.0-17.5pts on maturity extension for onshore bond. FTLNHD 27/FUTLAN 28 dived 4.0-5.1pts. LNGFOR 27-32 were down by 1.7-2.0pts. Other SOE property names CHJMAO/GRNCH/ZHHFGR/CPDEV were 1.0-2.0pts lower, with prop desks selling heavily and non-Chinese AMs buying at dip. We saw better buying on JP financial names like MIZUHO/MUFG from PB accounts. Japanese and Yankee AT1s and insurance subs were 0.1pt firmer amid moderately light flows. In SEA space, SMCGL Perps were 0.1-0.2pt lower. See comments on the new SMCGL perp [yesterday](#).

In LGFV space, there were selling flows in liquid higher-yielding issues like JMUDIV as some investors raised cash to buy property bonds in dip. Flows were otherwise balanced two-way among AMs and retail clients.

**Glenn Ko, CFA** 高志和  
(852) 3657 6235  
glennko@cmbi.com.hk

**Cyrena Ng, CPA** 吳蒨瑩  
(852) 3900 0801  
cyrenang@cmbi.com.hk

**Yujing Zhang** 张钰婧  
(852) 3900 0830  
zhangyujing@cmbi.com.hk

## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
SOFTBK 7 5/8 04/29/61	<b>94.1</b>	<b>0.9</b>	VNKRL 3.975 11/09/27	<b>22.8</b>	<b>-17.5</b>
CFAMCI 4 5/8 06/03/26	<b>101.0</b>	<b>0.8</b>	VNKRL 3 1/2 11/12/29	<b>21.6</b>	<b>-15.0</b>
NANYAN 7.35 PERP	<b>105.2</b>	<b>0.8</b>	FTLNHD 11.88 09/30/27	<b>90.1</b>	<b>-5.1</b>
LUSOIB 7 1/2 05/29/34	<b>102.3</b>	<b>0.8</b>	FUTLAN 11.88 06/26/28	<b>90.7</b>	<b>-4.0</b>
CHIOLI 3.05 11/27/29	<b>95.7</b>	<b>0.7</b>	DALWAN 11 02/13/26	<b>92.6</b>	<b>-2.2</b>

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – US markets were closed on Thursday for Thanksgiving Day. UST yield was unchanged on Thursday. 2/5/10/30 year yield was at 3.45%/3.56%/4.00%/4.64%.

## ❖ Desk Analyst Comments 分析员市场观点

### ➤ FAEACO: Adj. net gearing ratio improved to 64.9% as of Sep'25 amid weaker 1HFY26 results

Far East Consortium (FEC) announced weaker 1HFY26 results, which were largely in line with the profit warning issued on 21 Nov'25. Its 1HFY26 revenue decreased by 27% yoy to HKD3.8bn, primarily driven by 41% yoy decrease in revenue from property development segment from lower recognition during the period. Key contributors to development segment included Aspen at Consort Place and Victoria Riverside (Tower B, Tower C, and Bromley Street) in the UK, West Side Place in Australia, and Mount Arcadia in Hong Kong. Hotel segment revenue rose 10% yoy, driven by Dorsett Kai Tai Hong Kong and resilient performance in Malaysia and Australia. Dorsett Canary Wharf London and HubX Shanghai soft-opened in Sep'25 should help with revenue growth in 2HFY26. FEC omitted interim dividend.

Despite the topline drop, FEC's loss before tax increased slightly to HKD665mn in 1HFY26, attributable to increase in share of losses from Assos and JVs, partially offset by lower fair value losses on IPs and forex loss, as well as a HKD270.6mn gain from the disposal of its entire 53.21% stake in the BC Investment JV. Excluding the non-cash items, FEC's adjusted cash profit increased to HKD203mn in 1HFY26 from HKD33.3mn in 1HFY25.

FEC's leverage improved as of Sep'25. Its adj. net gearing ratio dropped to 64.9% from 67.6% as of Mar'25. FEC monetized HKD1bn non-core assets during 1HFY26 to reduce debts during 1HFY26, including net proceeds from disposal of HK mortgage portfolio of HKD344mn and BC Investment of cHKD513mn. As of Sep'25, FEC had cash and cash equivalent of HKD2.6bn and total debt (incl. perp) of HKD27.2bn, both decreased c5% from the level as of Mar'25. We expect FEC continue to lower leverage in 2HFY26, in view of its disposal of car park in Sydney in Oct'25 and certain interest of Ritz-Carlton Perth in Nov'25. FEC's cumulative attributable presales and unbooked contracted sales of HKD9.3bn also provides near-term cash inflow visibility to FEC.

We maintain buy on FAEACO 12.814 Perp as we believe that the perp continues to offer a decent risk-return profile in view of the larger cushion against the covenanted adj. net gearing ratio, as well as expected cash inflow from project deliveries and non-core asset sales. At 71.3, the perp offers a YTW of 18.5%. we believe the optimal way for FEC to manage its interest expenses and adj. net gearing ratio is to buy back the perp at market price despite FEC continues to mention bank loan reduction is the first priority. That means FEC has to continue to pay the coupon on the perp.

**Table 1: Summary of FEC o/s USD bond**

Security name	ISIN	Next Call Date	Amt o/s (USD mn)	Ask price	Ask YTNC	Issue rating (M/S/F)
FAEACO 12.814 PERP	XS2050584866	12/18/2025	360	71.3	920.3%	-/-

*Source: Bloomberg.*

➤ **Offshore Asia New Issues (Priced)**

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
No Offshore Asia New Issues Priced Today					

➤ **Offshore Asia New Issues (Pipeline)**

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
No Offshore Asia New Issues Pipeline Today					

➤ **News and market color**

- Regarding onshore primary issuances, there were 111 credit bonds issued yesterday with an amount of RMB201bn. As for month-to-date, 2,067 credit bonds were issued with a total amount of RMB2,284bn raised, representing a 22.1% yoy increase
- **[ADEIN]** Jaiprakash Associates seek NCLT approval for Adani Enterprises' resolution plan for company
- **[BIMLVN]** BIM Land launched tender for up to USD30mn of BIMLVN 7.375 05/07/26
- **[BNP/SAMSNG]** BNP Paribas Cardif and Samsung Life Insurance are the leading contenders to acquire 26% holdings in IndiaFirst Life Insurance
- **[BTSDF]** S&P revised the outlook of Health and Happiness to stable from negative on recovering infant milk business, affirmed BB rating
- **[CWAHK]** China Water Affairs secured USD100mn long-term financing from Asian Development Bank for its integrated wastewater treatment and pipeline rehabilitation project
- **[EMPINT]** Emperor International reached consensus with banks to resume existing bank borrowings arrangement
- **[SJMHOL]** SJM's satellite Casino Kam Pek Paradise will cease operation on 1 Dec'25 11:59pm
- **[VNKRLE]** S&P downgraded China Vanke by one notch to CCC- from CCC on potential maturity extension, ratings placed on CreditWatch Negative

*Fixed Income Department*

Tel: 852 3657 6235/ 852 3900 0801

[fis@cmbi.com.hk](mailto:fis@cmbi.com.hk)

### **Author Certification**

**CMBIGM or its affiliate(s) have investment banking relationship with the issuers covered in this report in preceding 12 months.**

The author who is primary responsible for the content of this research report, in whole or in part, certifies that with respect to the securities or issuer that the author covered in this report: (1) all of the views expressed accurately reflect his or her personal views about the subject securities or issuer; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific views expressed by that author in this report.

Besides, the author confirms that neither the author nor his/her associates (as defined in the code of conduct issued by The Hong Kong Securities and Futures Commission) (1) have dealt in or traded in the stock(s) covered in this research report within 30 calendar days prior to the date of issue of this report; (2) will deal in or trade in the stock(s) covered in this research report 3 business days after the date of issue of this report; (3) serve as an officer of any of the Hong Kong listed companies covered in this report; and (4) have any financial interests in the Hong Kong listed companies covered in this report.

### **Important Disclosures**

There are risks involved in transacting in any securities. The information contained in this report may not be suitable for the purposes of all investors. CMBIGM does not provide individually tailored investment advice. This report has been prepared without regard to the individual investment objectives, financial position or special requirements. Past performance has no indication of future performance, and actual events may differ materially from that which is contained in the report. The value of, and returns from, any investments are uncertain and are not guaranteed and may fluctuate as a result of their dependence on the performance of underlying assets or other variable market factors. CMBIGM recommends that investors should independently evaluate particular investments and strategies, and encourages investors to consult with a professional financial advisor in order to make their own investment decisions.

This report or any information contained herein, have been prepared by the CMBIGM, solely for the purpose of supplying information to the clients of CMBIGM and/or its affiliate(s) to whom it is distributed. This report is not and should not be construed as an offer or solicitation to buy or sell any security or any interest in securities or enter into any transaction. Neither CMBIGM nor any of its affiliates, shareholders, agents, consultants, directors, officers or employees shall be liable for any loss, damage or expense whatsoever, whether direct or consequential, incurred in relying on the information contained in this report. Anyone making use of the information contained in this report does so entirely at their own risk.

The information and contents contained in this report are based on the analyses and interpretations of information believed to be publicly available and reliable. CMBIGM has exerted every effort in its capacity to ensure, but not to guarantee, their accuracy, completeness, timeliness or correctness. CMBIGM provides the information, advices and forecasts on an "AS IS" basis. The information and contents are subject to change without notice. CMBIGM may issue other publications having information and/or conclusions different from this report. These publications reflect different assumption, point-of-view and analytical methods when compiling. CMBIGM may make investment decisions or take proprietary positions that are inconsistent with the recommendations or views in this report.

CMBIGM may have a position, make markets or act as principal or engage in transactions in securities of companies referred to in this report for itself and/or on behalf of its clients from time to time. Investors should assume that CMBIGM does or seeks to have investment banking or other business relationships with the companies in this report. As a result, recipients should be aware that CMBIGM may have a conflict of interest that could affect the objectivity of this report and CMBIGM will not assume any responsibility in respect thereof. This report is for the use of intended recipients only and this publication, may not be reproduced, reprinted, sold, redistributed or published in whole or in part for any purpose without prior written consent of CMBIGM.

Additional information on recommended securities is available upon request.

### **Disclaimer:**

For recipients of this document in the United Kingdom

This report has been provided only to persons (I) falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended from time to time) ("The Order") or (II) are persons falling within Article 49(2) (a) to (d) ("High Net Worth Companies, Unincorporated Associations, etc.,) of the Order, and may not be provided to any other person without the prior written consent of CMBIGM.

For recipients of this document in the United States

CMBIGM is not a registered broker-dealer in the United States. As a result, CMBIGM is not subject to U.S. rules regarding the preparation of research reports and the independence of research analysts. The research analyst who is primary responsible for the content of this research report is not registered or qualified as a research analyst with the Financial Industry Regulatory Authority ("FINRA"). The analyst is not subject to applicable restrictions under FINRA Rules intended to ensure that the analyst is not affected by potential conflicts of interest that could bear upon the reliability of the research report. This report is intended for distribution in the United States solely to "major US institutional investors", as defined in Rule 15a-6 under the US, Securities Exchange Act of 1934, as amended, and may not be furnished to any other person in the United States. Each major US institutional investor that receives a copy of this report by its acceptance hereof represents and agrees that it shall not distribute or provide this report to any other person. Any U.S. recipient of this report wishing to effect any transaction to buy or sell securities based on the information provided in this report should do so only through a U.S.-registered broker-dealer.

For recipients of this document in Singapore

This report is distributed in Singapore by CMBI (Singapore) Pte. Limited (CMBISG) (Company Regn. No. 201731928D), an Exempt Financial Adviser as defined in the Financial Advisers Act (Cap. 110) of Singapore and regulated by the Monetary

Authority of Singapore. CMBISG may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, as defined in the Securities and Futures Act (Cap. 289) of Singapore, CMBISG accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact CMBISG at +65 6350 4400 for matters arising from, or in connection with the report.