

## CMBI Credit Commentary

### Fixed Income Daily Market Update 固定收益部市场日报

- *The recent new issues NIPLIF 31-33 tightened 1-2bps this morning. ZHOSHK 28 recovered 0.5pt. HSBC 6.75 Perp and HSBC 7 Perp edged 0.1-0.3pt higher. We also saw better buying on 2yr-to-call perps and AT1s from AMs. Fosun launched tender offer for FOSUNI 5 05/18/26 at par. FOSUNI 28-29 were 0.2-0.4pt higher. See below.*
- **EHICAR:** *Deadline for exchange offer extended to 9 Apr'26. EHICAR 27 was 0.2pt higher this morning. See below.*
- **Chinese properties:** *Contracted sales dropped 29.0% yoy in 2M26. See below.*

#### ❖ Trading desk comments 交易台市场观点

Yesterday, in HK/Chinese properties, LASUDE 26 dropped 3.1pts. Media reported that Lai Sun Development plans to repay upfront 20% of LASUDE 26 and seek a three-year maturity extension for the remaining 80% as part of the yet-to-be announced LME. Meanwhile, Lai Sun is yet to close the sale of its 50% stake in CCB Tower to JD.com, pending approval from the Chinese regulator for the transaction. FAEACO 12.814 Perp was 1.2pts lower. The NWDEV/LVDNWDL complex were 0.1-0.9pt lower. VNKRL 27' and 29' leaked 0.4-0.7pt. GRNCH 28 was 0.1pt lower. Greentown's FY25 revenue was largely flat at RMB155.0bn with a healthy despite higher net gearing ratio of 66.8% and a solid cash/ST debt ratio of 2.6x. As for other higher-beta papers in the region, WESCHI 28-29 leaked 0.6-0.7pt. In Chinese IG space, MEITUA curve traded 1-3bps wider. ZHOSHK 28 closed 1.4pts lower. In SE Asian space, ACPM 4.85 Perp gained 1.5pts. On the other hand, TOPTB/PPTGC Perps were 0.2-0.3pt lower. VEDLN 28-33s were 0.2-0.5pt weaker. Media reported that Vedanta Limited has approached India's Supreme Court against Adani Group's resolution plan for bankrupt Jaiprakash Associates. MEDCIJ 26-30s lost 0.1-0.2pt. In KR space, we saw selling on HYNMTR/LGENSO, which closed 5-10bps wider. SKBTAM/HYUELE/POHANG traded 2-5bps wider with more balanced flows. In JP space, IG credits closed 1-5bps wider amid better selling across financial and corporate papers. Japanese and Yankee AT1s and insurance subs leaked by up to 0.3pt amid overall thin liquidity across the Asia and London sessions. Flows were overall two way with some PBs buying front-end papers. LGFVs were lackluster amid AM selling short-dated issues and/or lower-yielding issues to recycle cash.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ACPM 4.85 PERP	80.9	1.5	LASUDE 5 07/28/26	81.4	-3.1
HCELEC 4.65 12/29/26	64.5	1.3	ZHOSHK 5.98 01/30/28	95.2	-1.4
BEIENT 6 3/8 05/12/41	109.1	1.0	FAEACO 12.814 PERP	81.8	-1.2
MUFG 4.7 03/10/44	90.3	0.9	DBMMN 8 1/2 07/03/28	100.5	-1.0
RILIN 6 1/4 10/19/40	108.3	0.9	NUFAU 5 01/27/30	89.6	-0.9

## ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.39%), Dow (+0.11%) and Nasdaq (-0.73%) were mixed on Monday. UST yield was lower on Monday. 2/5/10/30 year yield was at 3.82%/3.97%/4.35%/4.91%..

## ❖ Desk Analyst Comments 分析员市场观点

➤ **EHICAR: Deadline for exchange offer extended to 9 Apr'26**

Table 1: Bond profile of EHICARs

Security name	ISIN	Amt o/s (USD mn)	Ask px	YTM
EHICAR 7 09/21/26	XS2384059122	269.03	64.3	124.2%
EHICAR 12 09/26/27	XS2782510049	325	53.2	65.4%

Source: Bloomberg.

EHi extended the exchange expiration date to 9 Apr'26 from 30 Mar'26. As of the original expiration date (30 Mar'26), 62.62% of the outstanding amount, i.e. USD166.6mn, of EHICAR 7 09/21/26 have been tendered for the exchange. The tendered amount was USD59.5mn below the minimum acceptance level of 85%, i.e. USD226.1mn. That said, the tendered amount had surpassed the 50% threshold for exit consent solicitation, aiming at eliminating non-monetary restrictive covenants and events of default. There is no change in the exchange terms. The company mentioned in the press release for the deadline extension that it might consider interim measures such as conducting open market repurchases and tender offer at below-market price should the eventual tendered amount fall well short of the minimum acceptance level of 85%

Recalled that EHi launched the exchange offer and exit consent solicitation for EHICAR 7 09/21/26 on 23 Mar'26. See Table 2 for details of the exchange. The new 3.5NC bond will have customary high yield covenant package in line with existing 2026 and 2027 bonds (such as the incurrence test of FCCR of 2.5x). As per our discussions with EHi, EHICAR 12 09/26/27 is excluded from this round of liability management exercise (LME) because the company is subject to the constraint of available NDRC quota of USD400mn which will expire in mid Apr'26. We believe that EHi may come to the market for a consensual LME for EHICAR 12 09/26/27 next year.

We estimate that NPV for EHICAR 7 09/21/26 to mid-80 to md-90 based on the terms of current exchange offer. The exchange will help notably lengthen EHi's debt maturity. We maintain our view that the current valuations of EHICARs have priced in too much downside for a non-distressed credit even though EHi's deleveraging has been slower than our expectation in the course of active car acquisitions. We maintain buy on EHICARs.

**Table 2: Summary of the exchange offer and exit consent**

<b>Exchange notes</b>	<b>EHICAR 7 09/21/26</b>
Upfront payment (pts)	10.0
New bonds	Remaining 90pts to be exchanged into a new 3.5yr bond due Oct'29
Exchange and consent fee (pt)	0.2
Accrued interests	to be paid in cash
Consent fee	0.2
Upfront cash	10.0
Coupon	10%
<b>Amortization schedule</b>	
14-Dec-26	7.5%
14-Jun-27	2.0%
14-Dec-27	5.0%
14-Jun-28	5.0%
14-Dec-28	5.0%
14-Jun-29	5.0%
14-Oct-29	70.5%
Total	100%
<b>Important dates</b>	
Announcement date	23-Mar-26
Extended exchange expiration date	9-Apr-26 (extended from 30-Mar-26)
New maturity	14-Oct-29
Minimum acceptable/consent threshold (% of outstanding principal amount)	
Exchange	85% (62.62% upon 30-Mar-26)
Consent	50% (achieved upon 30-Mar-26)

*Source: Company filing.*

➤ **FOSUNI: Tender offer for FOSUNI 3.95 10/02/26 at par**

**Table 3: Summary of the tender offer**

<b>Security name</b>	<b>FOSUNI 5 05/18/26</b>
ISIN	XS2343337122
Amt o/s (USD mn)	205.568
Tender px	100
Expiration	17 Apr'26 4pm GMT
Settlement date	On or about 23 Apr'26

*Source: Company filing.*

Fosun launched a tender offer for any and all outstanding FOSUNI 5 05/18/26 at par, to be funded through internal resources. The tender offer demonstrates Fosun's confidence on its liquidity. FOSUNI 5 05/18/26 represents the major maturity for Fosun in 1H26. Separately, Fosun obtained 3-year cUSD500mn multi-

currency refinancing package to refinance existing debts of USD520mn, as per media report last week. The next major maturity is FOSUNI 3.95 10/02/26 of EUR236.1mn due in Oct'26.

Among FOSUNIs, we maintain buy on FOSUNI 8.5 05/19/28 for better risk-adjusted return profile. At 100.3, FOSUNI 8.5 05/19/28 is trading at YTM of 8.3%, offering yield pick-up of c110bps over BTSDF 9.125 07/24/28 and c2 months shorter in tenor. We view Fosun's credit profile as improving, underpinned by continued asset disposals and active liability management. Meanwhile, we take comfort from Fosun's successful refinancing effort in FY25, i.e. two rounds of tender offers for FOSUNI 5.95 10/19/25 with the remaining balance early redeemed in full in Jul'25; a tender offer for FOSUNI 5 05/18/26 with USD294.4mn repurchased in Sep'25; as well as a tender offer for EUR-denominated FOSUNI 3.95 10/02/26 with EUR263.9mn repurchased in Nov'25. Fosun also issued onshore bonds totaled RMB19.5bn in FY25.

Fosun remains focused on four core subsidiaries, Fosun Pharma, Yuyuan, Fosun Tourism Group, and Fidelidade, while accelerating divestments of minority investments, non-core subsidiary assets, and real estate at reasonable valuations. In FY25, Fosun's revenue fell 9.7% yoy to RMB173.4bn, with declines in the happiness and asset management segments partially offset by higher health and insurance revenue. Loss for the year widened to RMB22.7bn in FY25 from RMB2.2bn in FY24, due to higher impairment provisions and share of losses from JVs. Total impairment provisions amounted to RMB15.3bn in FY25, up from RMB4.7bn in FY24. As of Dec'25, Fosun held cash and cash equivalent of RMB60.5bn compared to ST debts of RMB104.2bn. That said, we take comfort from Fosun's good access to diverse funding channel both onshore and offshore. A potential IPO of Club Med, if successfully executed, could further strengthen Fosun's liquidity profile and access to capital markets.

**Table 4: Bond profile of FOSUNIs**

Security Name	ISIN	Amt o/s (USD mn)	Ask Px	YTM	Issue rating (M/S/F)
FOSUNI 5 05/18/26	XS2343337122	205.568	100.0	5.2%	-/BB-/
FOSUNI 5.05 01/27/27	XS2281321799	500	97.6	8.1%	-/BB-/
FOSUNI 8.5 05/19/28	XS2922957746	500	100.3	8.3%	-/BB-/
FOSUNI 6.8 09/09/29	XS3175828113	400	95.0	8.5%	-/BB-/

Source: Bloomberg.

➤ **Chinese properties: Contracted sales dropped 29.0% yoy in 2M26**

Contracted sales momentum remained soft in Feb'26. The 30 developers under our radar reported aggregate contracted sales of RMB66.4bn, down 38.0% yoy from RMB107.2bn in Feb'25. Only 2 out of 30 developers reported yoy increase in contracted sales in Feb'26, down from 4 in Jan'26, reflecting the weak demand backdrop.

In 2M26, the cumulative contracted sales of the 30 developers fell 29.0% yoy to RMB155.0bn. CHJMAO was the sole outperformer, recorded contracted sales growth of 16% yoy to RMB12.9bn. The bottom performers were REDSUN/HONGSL (RMB234mn), YLLGSP (RMB1.0bn) and GEMDAL (RMB1.9bn), with contracted sales down 79%, 75%, and 63% yoy, respectively.

At the Two Sessions in early Mar'26, Chinese authorities reiterated their commitment to real estate market stabilization through city-specific measure, rather than a nationwide bailout. Local governments are being encouraged to acquire unsold commercial housing inventory for conversion into affordable housing, consistent with the policy direction set at the Central Economic Work Conference in Dec'25. On the demand side, first-

time homebuyers/young families in eligible cities are now permitted to use their housing provident fund balances toward home purchases, subject to local policy frameworks.

As discussed before, the path to a sustained recovery remains to be long in view of the weak homebuyers' confidence, which in turn, hinges on household income expectation and the home price trend. China Index Academy data show new home prices fell 0.3% mom in Feb'26, reversed the 0.2% mom increase in Jan'26. CMBI economic research expects a 10bps cut in LPR in the end of 2Q26, which should provide some support to the subdued housing market.

Separately, the escalating geopolitical tension in the Middle East could drive energy prices higher, feeding through to broader inflationary pressures in China and compressing household purchasing power. That could narrow the PBOC's room to ease and potentially delaying the anticipated LPR cut. We continue to monitor the geopolitical developments, as they could materially influence both the timing and the scope of policy support to the property sector.

Company	CN Name	BBG Ticker	Jan	Feb	Feb'26 MoM Growth	Feb'26 YoY Growth	Feb'26 YTD Sales	Feb'26 YTD Sales Growth
China Jinmao	中国金茂	CHJMAO	7,603	5,327	-30%	3%	12,930	16%
Hopson	合生创展	HPDLF	591	309	-48%	3%	900	0%
Country Garden (Attributable)	碧桂园	COGARD	2,210	2,230	1%	5%	4,440	-3%
Zhenro Properties	正荣地产	ZHPRHK	346	303	-12%	5%	649	-8%
China Overseas	中国海外发展	CHIOLI	14,478	8,464	-42%	5%	22,942	-5%
China Resources Land	中国资源地产	CRHZCH	11,650	10,050	-14%	5%	21,700	-15%
Yuzhou Properties	禹洲地产	YUZHOU	530	362	-32%	5%	892	-18%
Greenland Holding*	绿地控股集团*	GRNLGR	3,630	1,870	-48%	5%	5,500	-23%
Greentown	绿城	GRNCH	9,700	8,600	-11%	5%	18,300	-24%
Poly Real Estate	保利地产	POLYRE	15,617	10,132	-35%	5%	25,749	-24%
Agile	雅居乐	AGILE	540	610	13%	9%	1,150	33%
Powerlong	宝龙地产	PWRLNG	470	431	-8%	9%	901	33%
Logan Property*	宝龙地产*	LOGPH	350	350	0%	9%	700	33%
Shimao	世茂房地产	SHIMAO	1,510	1,301	-14%	9%	2,811	33%
China SCE*	中骏集团控股*	CHJNSC	450	510	13%	9%	960	33%
KWG Property	合景泰富集团	KWGPPO	325	250	-23%	9%	575	33%
Future Land	新城控股	FUTLAN/FTLNHD	714	1,223	71%	9%	1,937	33%
Zhongliang	中梁控股	ZHLGHD	800	700	-13%	9%	1,500	33%
Central China Real Estate	建业地产	CENCHI	400	580	45%	9%	980	33%
Sino-Ocean	远洋集团	SINOCE	1,150	470	-59%	9%	1,620	44%
Yuexiu Property	越秀地产	YUEXIU	4,201	2,905	-31%	9%	7,105	45%
Times Property	时代中国控股	TPHL	376	105	-72%	9%	481	48%
Longfor (Attributable)	龙海集团	LNGFOR	1,650	1,340	-19%	9%	3,000	55%
China Vanke*	万科企业*	VNKRL	5,580	3,480	-38%	9%	9,060	57%
Sunac China*	融创中国*	SUNAC	1,080	2,550	139%	9%	3,630	58%
Ronshine China	融创中国	RONXIN	218	37	-83%	9%	255	60%
CIFI Holdings	招辉集团	CIFIHG	730	530	-27%	9%	1,260	65%
Gemdale	金地集团	GEMDAL	1,220	630	-48%	9%	1,850	68%
Yanlord*	仁恒置地*	YLLGSP	380	630	65%	9%	1,010	76%
Redsun	弘阳地产	REDSUN/HONGSL	100	134	34%	9%	234	79%

Note: \* represents the data was collected from CRIC/CIH.  
Source: Company fillings, CRIC, CIH.

➤ 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)
Korea Mine Rehabilitation and Mineral Resources Corporation	USD	-	5yr	T+135	-/A+/A+
PT Bank Mandiri	USD	-	5yr	T+180	-/BBB/BBB

## ➤ News and market color

- Regarding onshore primary issuances, there were 52 credit bonds issued yesterday with an amount of RMB31bn. As for month-to-date, 2,336 credit bonds were issued with a total amount of RMB1,869bn raised, representing a 5.2% yoy increase
- **[CFAMCI]** China CITIC Financial Asset Management FY25 revenue fell 42.2% yoy to RMB61.7bn (cUSD8.9bn)
- **[GRNCH]** Greentown China revenue fell 2.2% yoy to RMB155.0bn (cUSD22.4bn) in FY25
- **[JD]** JD.com proposes to issue 5/10yr senior unsecured dim sum bonds (A3/A/-) for general corporate purposes, including repayment of certain existing indebtedness and payment of interest.
- **[LASUDE]** Media reported Lai Sun plans to repay upfront 20% of LASUDE 26 as part of yet-to-be announced LME; yet to close the sale of its 50% stake in CCB Tower to JD.com, pending the approval from Chinese regulator for the transaction
- **[LGCHEM]** LG Chem is targeting to double sales of its electronic materials to KRW2tn (cUSD1.3bn) by 2030; will receive 27,000 tons of naphtha from Russia amid potential supply shortages
- **[SOFTBK]** SoftBank Group will redeem its JPY405bn SOFTBK 2.75 06/21/56 in full on the first call date on 21 Jun'26
- **[SRILAN]** Sri Lanka accepted USD10.364mn SRILAN 5.875 07/25/22 for purchase in a tender offer
- **[VEDLN]** Vedanta Ltd said there are no binding decisions, definitive agreements or material developments regarding the media report on its plan to invest USD5bn in US to build assets and access technology. Media reported Vedanta Ltd has approached India's Supreme Court against Adani Group's resolution plan for bankrupt Jaiprakash Associates
- **[WDSAU]** Woodside Energy Group's LNG production in Western Australia was disrupted by tropical cyclone Narelle
- **[WESCHI]** S&P affirmed West China Cement's B+ rating, outlook stable

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