CMB INTERNATIONAL 招銀国际

Fixed Income
Credit Commentary

20 Aug 2025

CMBI Credit Commentary

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

- *The new ALVGR 6.55 Perp up 0.5pt from RO at par this morning. China and KR IGs were 1-3bps wider. There was profit taking from BNKEAs/NANYANs. BBLTB subs were 2bps wider. SHIKON 35 was 1bp tighter. We saw PB demand for PerpNC10 Europe AT1s.*

- ***INCLEN:** Module and cell manufacturing drove 1QFY26 revenue and adj. EBITDA growth. INCLEN 27s/INGPHL 27s/RPVIN27-28s were 0.1-0.4pt higher post results announcement. See below.*

- ***CTFSHK:** CTF Services entered into a conditional SPA to acquire 65% equity interest in Blackhorn Group, which will be integrated with CTF Life and uSmart Inlet Group to provide one-stop financial and wealth management services platform. CTFSHK 29 was 0.4pt lower this morning.*

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

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

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

❖ Trading desk comments 交易台市场观点

Yesterday, the new DBS 3.989 28 was 3bps tighter from RO at par. In Asia IG, HYUELE 2.375 31s was 1bp tighter. SK Hynix repaid KRW3.4tn (cUSD2.5bn) from booming HBM chip sales in 1H25. In financials, there were some selling in STANLNs amid the USD9.6bn unlawful transactions allegations. STANLN Perps down 0.1pt. Yankee AT1s were weaker as offers gradually reemerged from London. In lifers, JP DAIL 6.2 Perps/MYLIFE 5.8 54s/NIPLIF 6.5 55s down 0.4pt amid higher rates. KR TYANLI 35 was 1bp tighter. Tongyang Life announced the redemption of USD300mn TYANLI 5.25 Perp on 22 Sep'25, i.e. the first call date. In Chinese AMCs, CFAMCI 25/29s were 0.1-0.2pt higher. China CITIC FAMC expects its 1H25 net profit to increase 12.5-16.3% yoy to RMB6-6.2bn. In HK Corp, we saw selling in HYSAN/CPREIT/CKHH/MTRC from PB, prop desk and RM for profit taking after the rally last week. HYSAN 4.85/7.2 Perps was 0.4-1.1pts lower. MTRC 55 was 1bp wider while MTRC Perps were 0.1-0.2pt lower. On the other hand, NWDEVL 6.25 Perp/NWDEVL 5.875 27 were unchanged, while the rest of NWDEVLs were 0.1-0.4pt higher. In Chinese HY, HONGQI 28s were 1bp tighter. China Hongqiao announced the buy-back of 10.2mn shares for cHKD234mn. GWFOOD 30 was 1.1pts lower. WESCHI 26 was 0.1pt higher. In Chinese properties, FTLNHD 25-26 were 0.2pt higher, FUTLAN 28 was unchanged. Seazen obtained approval up to RMB1.1bn (cUSD147.5mn) onshore ABS offering while announced the profit warning for 1H25 results. ROADKG 28-30/7.75 Perp moved -0.2pt to +0.1pt. Road King 1H25 loss to widen to RMB1.5-1.7bn (cUSD217mn). In SEA, PTTGCs were 0.2-1.4pts higher (1-4bps tighter). PTT Global Chemical eyes THB30bn (cUSD923mn) from non-core assets monetization. PERTIJs were 1-2bps tighter. VLLPM 27-29 down 0.1-1.5pts.

CMBI Fixed Income
fis@cmbi.com.hk

The flows in LGFV space were mixed two-way. Higher-yielding (8%+) papers remained generally sought after by HF and RM across CNH and USD. There were profit-taking and risk trimming on paper yielding 5%-7%. TSIVMG 1.55 29 up 0.7pt.

❖ Last Trading Day's Top Movers

Top Performers	Price	Change
PTTGC 5.2 03/30/52	**90.1**	**1.4**
PTTGC 4.3 03/18/51	**78.3**	**1.1**
BIMLVN 7 3/8 05/07/26	**91.3**	**0.8**
BORLTD 9 1/2 08/07/32	**97.5**	**0.8**
TSIVMG 1.55 12/17/29	**71.4**	**0.7**

Top Underperformers	Price	Change
VLLPM 9 3/8 07/29/29	**65.4**	**-1.5**
GARUDA 6 1/2 12/28/31	**79.5**	**-1.4**
GWFOOD 3.258 10/29/30	**86.9**	**-1.1**
HYSAN 4.85 PERP	**70.1**	**-1.1**
SOFTBK 7 1/2 07/10/35	**103.9**	**-0.6**

❖ Marco News Recap 宏观新闻回顾

Macro – S&P (-0.59%), Dow (+0.02%) and Nasdaq (-1.46%) were mixed on Tuesday. UST yield was lower on Tuesday, 2/5/10/30 yield at 3.75%/3.82%/4.30%/4.90%.

❖ Desk Analyst Comments 分析员市场观点

➢ INCLEN: Module and cell manufacturing drove 1QFY26 revenue and adj. EBITDA growth

ReNew Energy (RNW) reported 71% yoy increase in 1QFY26 to INR39.0bn, with adj. EBITDA rising 43% yoy to INR27.2bn. This robust growth was primarily driven by the stabilization and expansion of its module and cell manufacturing operations. The manufacturing segment, fully operational with 6.4 GW of modules and 2.5GW of cells capacity, produced 900MW of modules and 400MW of cells during 1QFY26. These contributed INR13.2bn in revenue and INR5.3bn to adj. EBITDA during the quarter. Recalled that RNW ramped up the manufacturing facilities in 4QFY25; FY25 adj. EBITDA from manufacturing totaled INR4.2bn, of which INR3.6bn was generated in 4QFY25.

In May'25, RNW secured INR8.7bn (cUSD100mn) from Marquee Investment for 10% stake in its solar manufacturing subsidiary ReNew Photovoltaics. The investment will primarily be utilised to grow the business and expand the manufacturing capacity through the construction of 4GW TOPCon cell facility. The transaction is expected to close by 2QFY26. The land acquisition of the facility had been completed and civil work has started. Basic engineering completed and orders for major machinery were placed. While RNW currently operates 2.5GW solar cell facility, the new 4GW TOPCon cell plant will bring RNW's total solar cell manufacturing capacity to 6.4GW once completed. The production of the new facility is expected to start by end of FY27. Going forward, we believe that the manufacturing operation will be a key driver for RNW's revenue growth.

The 1QFY26 revenue growth was further supported by increased operational capacities. RNW's total operational capacity reached 11.1GW in 1QFY26, up 16% yoy from 1QFY25. The plant load factor (PLF) for wind assets improved to 32.8%, while the solar PLF declined to 24.6%. See Table 1.

RNW reiterates its FY26 guidance for adj. EBITDA at INR87-93bn, which includes INR1-2bn from asset sales, and INR8-10bn from module and cell manufacturing (up from INR5-7bn guidance in Jun'25). 1QFY26 adj. EBITDA represents 29-31% of the full-year target. RNW maintains its cashflow to equity (CFe) guidance at INR14-17bn; 1QFY26 CFe was INR15.3bn.

As of Jun'25, cash and bank balance was INR76.1bn, 6% lower than the level as of Mar'25 due to more financial investments. 1QFY26 capex was INR5.1bn, decreased 86% yoy. We expect the strong operating cash inflows and continued capital recycling to fund the remaining FY26 capex. RNW's net debt/LTM adj. EBITDA was down to 7.5x in Jun'25 from 8.3x in Dec'24 supported by higher LTM adj. EBITDA. We take comfort with RNW's good access to various funding channels, asset monetization and limited near-term refinancing pressure.

On 2 Jul'25, RNW received a final non-binding offer from Masdar, CPPIB, Platinum Hawk (subsidiary of ADIA) and RNW's founder and CEO Sumant Sinha (the Consortium) to take RNW private at USD8 per share, representing 13.2% increase from the proposal dated 10 Dec'24 at USD7.07 per share. A special committee is evaluating the final non-binding offer, active discussions with the Consortium remain ongoing.

We expect RNW to continue to release the financial reports timely to bondholders as per bond covenants even if it is privatized. We also expect RNW to maintain its good access to different onshore and offshore funding channels, supported by its recurring cash flow and its operating profile as the third largest renewable company by installed capacity in India. Within RNW complex, we maintain buy on INCLEN 4.5 04/18/27 for its better risk-return profile despite higher subordination risk. All the 5 o/s USD bonds of the RNW complex are rated at Ba3/BB by Moody's/Fitch despite the security structures vary. At 97.5, INCLEN 4.5 04/18/27 is trading at YTM of 6.1%.

Table 1: Financial and operational highlights

INRmn	1QFY25	1QFY26	Change
Revenue	22,811	38,998	71%
Adjusted EBITDA	18,979	27,220	43%
Profit before tax	2,490	7,731	210%
Operating cash flow	9,913	11,876	20%
Capex	36,306	5,103	-86%
Cashflow to equity (CFe)	9,703	15,325	58%
Plant load factor			
Wind	28.4%	32.8%	4.4 pct pt
Solar	27.2%	24.6%	-2.6 pct pt
INRmn	**Mar'25**	**Jun'25**	**Change**
Cash and bank balances	80,518	76,067	-6%
Total debts	737,682	732,802	-1%
Net debts	657,164	656,735	-
Net debt/ LTM adj. EBITDA	8.3x	7.5x	-

Source: Company filling, CMBI FICC Research.

Table 2: Bond profiles of RNW

Security name	Amt o/s (USD mn)	Ask px	Ask YTM	Mod dur	Security structure	Issue rating (M/S/F)
RNW 7.95 07/28/26	525	101.2	5.1%	0.4	Asset backed Holdco issuance	Ba3/-/BB-
INGPHL 4 02/22/27	429	97.6	5.8%	1.3	Restricted Group issuance	Ba3/-/BB-
RPVIN 5 ⅞ 03/05/27	270	100.1	5.8%	1.4	Asset backed Holdco issuance	Ba3/-/BB-
INCLEN 4 ½ 04/18/27	400	97.5	6.1%	1.5	Holdco issuance	Ba3/-/BB-
RPVIN 4 ½ 07/14/28	585	96.2	5.9%	2.7	Restricted Group issuance	Ba3/-/BB-

Source: Company filling, CMBI FICC Research.

➢ Offshore Asia New Issues (Priced)

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Ganzhou Urban Investment Holding	250	3yr	4.8%	4.8%	-/-/BBB-
Tongling State-owned Capital Operati	200	3yr	4.65%	4.65%	Unrated

➢ 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 118 credit bonds issued yesterday with an amount of RMB114bn. As for month-to-date, 1,319 credit bonds were issued with a total amount of RMB1,183bn raised, representing a 3.7% yoy increase

- The US government is exploring ways to get stakes in companies such as Taiwan Semiconductor Manufacturing, Micron, and Samsung in exchange for money provided under the CHIPS and Science Act

- **[BHP]** BHP plans to cut annual capex to USD10bn in FY28–30 from USD11bn in FY26-27; signs agreement to sell Carajas copper assets in Brazil for up to USD465mn

- **[CKHH]** Media reported CK Asset approached by developers for opportunities in providing short-term financing or equity investment at project level

- **[FUTLAN/FTLNHD]** Seazen expects 1H25 profit to fall by up to 48% yoy to RMB500-700mn (cUSD69.6-97.5mn) from a profit of RMB959mn (cUSD133.5mn) in 1H24 amid weak real estate market

- **[HMELIN]** HPCL-Mittal Energy to purchase USD56.39mn of HMELIN 5.45 10/22/26 and USD85.55mn of HMELIN 5.25 04/28/27 in tender offers. USD243.608mn of HMELIN 5.45 10/22/26 and USD289.447mn of HMELIN 5.25 04/28/27 remain outstanding

- **[LGELEC]** LG Electronics seeks bigger footprint in Indian home electronics market

- **[PWRLNG]** Powerlong 1H25 loss to widen to up to RMB2.9bn (cUSD403mn)

- **[WESCHI]** West China Cement to hold fixed income investor meetings from 26 Aug'25

- **[XIAOMI]** Xiaomi 1H25 revenue rises 38.2% yoy to RMB227.3bn (cUSD31.6bn); plans to enter European EV market by 2027

Fixed Income Department
Tel: 852 3657 6235/ 852 3900 0801
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-6under 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.