

## CMBI Credit Commentary

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

- *Asian IG credits were unchanged to 2bps tighter this morning. We saw profit taking on 2-3yr notes. VNKRL 27 and 29' rose 1.0-1.6pts. SOFTBK 61 gained 0.7pt. On the other hand, NWDEVL 30 leaked 0.4pt. YPCORP 29 was 0.3pt lower. FAEACO 12.814 Perp lost 0.2pt.*
- **LASUDE:** *Exchange offer with conditional upfront cash and 3yr maturity extension. LASUDE 26 was 0.8pt higher this morning. See below.*
- **VEDLN:** *Fitch upgraded Vedanta Resources by one notch to BB from BB- as higher commodity prices, lower cost of debt likely to boost EBITDA; outlook stable. VEDLNs were unchanged this morning.*

#### ❖ Trading desk comments 交易平台市场观点

Last Friday, FUBON/SHIKON closed unchanged to 1bp tighter amid better buying, while CATLIFs/NSINTWs traded 1-6bps wider. See our comments on CATLIF [last Friday](#). CCAMCLs widened 1-5bps and TENCNTs were 5bps tighter to 5bps wider. In HK, the NWDEVL/VDNWDL complexes were unchanged to 0.5pt firmer. NWD generated over HKD2.6bn from Pavilia Rosa sales so far. FAEACO 12.814 Perp/LASUDE 26 gained 0.7-0.8pt. Lai Sun Development launched exchange and consent solicitation for USD493mn LASUDE 5 07/28/26. See comments below. The Macau gaming complexes were up to 0.4pt higher. WESCHI 28-29 edged 0.4-0.5pt higher. See our comments on WESCHI on [11 Jun'26](#). In Chinese properties, VNKRL 27' and 29' were 0.2pt lower to 0.1pt higher. Vanke has scheduled redemption of 40% of the principal and interest of '23WankeMTN003' on 15 Jun'26, amounting to RMB863.1mn. Vanke will receive a secured loan of up to RMB1.1bn (cUSD168.4mn) from Shenzhen Metro Group to repay debt. FUTLAN 28/FTLNHD 27-29 traded 0.2pt lower to 0.3pt higher. LNGFOR 27-32 closed unchanged to 0.3pt higher. In SE Asian space, TOPTB/PTTGC Perps rose 0.5-0.7pt. MEDCIJ 28-30/INDYIJ 29 gained 0.1-0.4pt. VLLPM 29 lost 2.1pts, while VLLPM 27 gained 1.1pts. VEDLN 28-33s/SMCGL Perps were 0.1pt lower to 0.1pt higher. In JP, RESLIF 6.875 Perp/NOMURA 7 Perp traded 0.1pt higher. SOFTBKs were 0.1pt lower to 0.7pt higher.

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## ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
GARUDA 6 1/2 12/28/31	84.5	2.0	VLLPM 9 3/8 07/29/29	40.1	-2.1
VLLPM 7 1/4 07/20/27	55.4	1.1	IPBZU 6.45 10/09/30	100.2	-0.7
PLNIJ 6 1/4 01/25/49	97.5	1.0	WREICL 2 7/8 05/07/30	92.8	-0.6
PLNIJ 4 06/30/50	69.4	1.0	TENCNT 3.24 06/03/50	69.1	-0.6
NWDEVL 5 1/4 PERP	83.5	1.0	HAOHUA 5 1/2 03/14/48	99.8	-0.5

## ❖ Marco News Recap 宏观新闻回顾

Macro – S&P (+0.50%), Dow (+0.70%) and Nasdaq (+0.31%) were higher on last Friday. UST yield were higher on last Friday. 2/5/10/30 year yield was at 4.09%/4.21%/4.48%/4.97%.

## ❖ Desk Analyst Comments 分析员市场观点

## ➤ LASUDE: Exchange offer with conditional upfront cash and 3yr maturity extension

Lai Sun Development (LSD) launched an exchange offer for any and all of LASUDE 5 07/28/26 into a new 3yr USD bond with 8% coupon. Holders will receive 30% upfront cash and 70% in new bond if LSD receive the proceeds from the disposal of CCB Tower in Central on or prior to 22 Jul'26, or will receive 100% in new bond with no upfront cash if such condition is not satisfied. In the latter case, LSD undertakes to redeem 30% of the new bond within 10 business days upon the receipt of disposal proceeds, or by 28 Sep'26 at the latest if proceeds are not received earlier.

The new bond will mature on 28 Jul'29 and carry an 8% coupon. A cash sweep mechanism will apply, such that net disposal proceeds from specified assets will be deposited into a designated account. See Table 1. Mandatory redemption at par will be triggered once the account balance exceeds USD20mn.

Concurrently, LSD launched a consent solicitation for the LASUDE 26 to approve a series of amendments and waivers, including: (i) extension of maturity by 3 years to 28 Jul'29; (ii) inclusion of an issuer option to convert the existing bond into the new bond at a 1:1 ratio in whole at any time; (iii) addition of a par call option exercisable at the issuer's discretion at any time, in whole or in part; (iv) alignment of quorum requirements and cross-default provisions with the new bond; and (v) delisting of LASUDE 26 from HKEX on 28 Jul'26. Holders elect to tender for exchange will be required to vote in favor of the extraordinary resolution in the consent solicitation.

Apart from CCB Tower, LSD has also entered into agreements to dispose of 80% interest in Camper & Nicholsons for GBP40mn (cUSD368mn), subject to adjustment and shareholder approval at a meeting expected on 29 Jun'26 with completion targeted around 14 Jul'26. As of 31 Jan'26, LSD (excl. LF and eSUN) had total debt of HKD15.9bn, comprising HKD11.6bn bank loans and HKD4.2bn senior bonds (incl. cHKD3.8bn LASUDE 26). All IPs and development projects are pledged against banking facilities, while the HKD739mn of undrawn banking facility are earmarked for development projects only. While LSD's liquidity profile remains tight with only HKD1.3bn cash and cash equivalent, the exchange offer would notably alleviate its near-term refinancing pressure. Based on the exchange terms, we estimate that NPV for LASUDE 26 to mid-80 to mid-90.

**Table 1: Summary of the exchange offer and consent solicitation**

Security Name	LASUDE 5 07/28/26	
ISIN	XS2368038050	
Amt o/s (USD mn)	493	
Exchange consideration:		
(i) disposal proceeds condition satisfied; or	Cash payment: USD30 New bond: USD70	
(ii) disposal proceeds condition not satisfied	New bond: USD100	
Early consent fee	1pt	
Base consent fee	0.25pt	
Early consent deadline	29 Jun'26 4pm London time	
Exchange and voting deadline	7 Jul'26 4pm London time	
Meeting	10 Jul'26 10:30am HKT	
Settlement date	On or around 28 Jul'26	
Meeting quorum	2 or more persons representing >= 75% of principal amount outstanding	
Voting majority	>= 75% of the vote cast	
<b>Outcome comparison</b>	<b>Exchange and consent</b>	<b>Do not exchange or consent (assume consent passed)</b>
Holding	New 3yr bond	LASUDE 5 07/28/26
Coupon rate	8%	5%
Maturity date	28 Jul'29	28 Jul'29
Cash sweep	(i) 100% of remaining 18.27% interest in CNI  (ii) 50% of 3 selected residential projects in HK (Southside, 79 Broadcast Drive, 1 Kotewall Road)  (iii) 50% of 2 selected projects in UK (Fairmont St Andrews, Leadenhall Street)	N/A
Mandatory conversion to new bond	N/A	Yes, at issuer's discretion
Quorum requirement	66.7% of aggregate principal amount of outstanding	66.7% of aggregate principal amount of outstanding
Cross default/acceleration	Cross acceleration	Cross acceleration
Any-time par call	Yes	Yes

Source: Company's filing.

➤ **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)
Hyundai Capital America	USD	-	2yr/ 3yr/ 3yr/ 5yr/ 7yr	T+90/ T+100/ SOFR Equiv/ T+110/ T+120	A3/A-/A-
Korea Gas Corporation	USD	-	3yr/ 5yr	SOFR+80/ T+70	Aa2/AA/AA-
Mitsubishi Corporation	USD	-	5yr/ 10yr	T+80/ T+100	A2/A/-
Well Link Life Insurance	USD		10NC5	8.375%	-/BB+/BB+

## ➤ News and market color

- Regarding onshore primary issuances, there were 90 credit bonds issued last Friday with an amount of RMB131bn. As for month-to-date, 989 credit bonds were issued with a total amount of RMB1,151bn raised, representing a 49.9% yoy increase
- **[LGELEC]** LG Electronics is constructing a 'data factory' to train humanoid robots with a KRW400bn (cUSD262mn) investment by 2030
- **[NDPAPE]** Nine Dragons Paper obtained a three-year syndicated loan for RMB2bn (cUSD295.4mn); commenced tender offer for USD400mn NDPAPE 14 Perp at 107
- **[NWDEVL]** New World Development generated over HKD2.6bn from Pavilia Rosa sale so far
- **[PKX]** POSCO Holdings signed a definitive agreement with Australia's Anson Resources to build a proprietary direct lithium extraction demonstration plant in the US
- **[SMCPM]** San Miguel is likely to get a 55% stake in the proposed toll road business merger between the Philippine conglomerate and First Pacific-controlled Metro Pacific Investments
- **[VNKRLE]** China Vanke to redeem 40% principal, interest on 23WankeMTN003; to receive a secured loan of up to RMB1.1bn (cUSD168.4mn) from Shenzhen Metro to repay debts; scrapped the sale process for its 99.4% stake in a pig farming business after no bidder qualified by the 11 Jun'26 deadline
- **[WDSAU]** Woodside Energy Group exercised its pre-emptive right to acquire PetroChina's 10.67% interest in Browse joint venture (BJV), blocking a proposed sale to Japan's Inpex
- **[XINAOG]** ENN Energy confirmed lapse of privatization offer from ENN Natural Gas

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