

## CMBI Credit Commentary

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

- *New issue SIASP'34 tightened c15bps this morning. Asian IG space was stable. China properties were well bid, CHIOLIs were unchanged to 0.75pt higher and GEMDAL'24 rose 0.8pt.*
- **GZRFPR:** *Further increase in consent fee to 0.25% but modification, not sweetening, of the exchange offers. GZRFPRs were unchanged this morning. See below.*
- **DALWAN:** *Zhuhai Wanda Commercial Management has additional RMB5.1bn equity frozen by Shanghai court. DALWANs were unchanged this morning.*

#### ❖ Trading desk comments 交易平台市场观点

Yesterday, on the new issues, HYNMTR priced a USD800mn 3-yr fixed-rate note at CT3+90, a USD400mn 3-yr floating-rate note at SOFR+104, and a USD500mn 5-yr fixed-rate note at CT5+108. In KR space, HYNMTR 25-31s were under better buying on its new issues pricing and tightened 1-2bps. KORELE 27s/SAMTOT 29s were also 1-3bps tighter amid two-way flows. There were selling on the policy banks and KDB/EIBKOR 29-31s closed unchanged to 2bps wider. Chinese IGs were firm. HAOHUAs were unchanged to 2bps tighter. BABA/TENCNT 29-31s tightened 1-2bps. In the BBB TMTs, XIAOMI/WB 30s also closed unchanged to 3bps tighter. The Chinese leasing name BOCAVI 28-33s tightened 3-5bps. The bank T2s were also well bid. DAHSIN 33s tightened 5bps and BNKEA 27-32s were 5-10bps tighter. BNKEA Perps were up 0.1-0.5pt. In EU AT1s, BACR 6.125 Perp/INTNED 7.5 Perp moved 0.1-0.3pt higher. In HK Corp space, CKHH 27-33s tightened 2-3bps, whereas HKLSP 33s widened 1bp under better selling. NWDEVL Perps were up 0.2-0.5pt and closed 1.2-2.5pts higher WTD. Chinese properties performed mixed. ROADKG 24-26s rebounded 0.8-3.5pts after falling 2.9-12.7pts on Wed. RDHGCL '24 increased 3.2pts. GEMDAL '24 gained 2.6pts to close 9pts higher WTD. YLLGSP '26/CHJMAO '29 were up 0.5pt. However, DALWAN 24-26s dropped 2.3-3.8pts after gaining 3.6-5.0pts on Wed. Media reported Zhuahai Wanda Commercial Management (ZWCM) had encountered equity freeze again with the amount of RMB5.072bn (cUSD705mn), executed by Shanghai First Intermediate Court. VNKREs moved 0.1-0.3pt lower. In industrials, HILOHO '24 was up another 0.7pt. In Macau gaming names, MPELs/SANLTDs were 0.2-0.5pt lower. Indian space was quiet. Indonesian name LMRTSP 24/26 were 0.3-0.5pt higher.

The LGFVs/SOE perps/high beta names were firm. CPDEV '25/BCDHGR '26 rose another 0.1pt and closed 0.5pt higher WTD. Guangzhou LGFVs GZDZCD '25/GZINFU '26 were 0.1pt higher. Shandong names SHGUOH '25/SDGOLD '24/JMUDIV '25 were up 0.1-0.2pt. In SOE perps,

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

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

**Jerry Wang** 王世超  
(852) 3761 8919  
jerrywang@cmbi.com.hk

CHSCOI 3.4 Perp/HUANEN 3.08 Perp were 0.1pt higher, whilst CHPWCN 3.08 Perp was down 0.1pt. GRPCIN '26 was 0.3pt higher. FRESHK '26 was up 0.2pt and closed at 94.3, the recent high.

#### ❖ Last Trading Day's Top Movers

Top Performers	Price	Change	Top Underperformers	Price	Change
ROADKG 6 09/04/25	43.1	3.5	DALWAN 11 02/13/26	67.3	-3.8
RDHGCL 7.8 03/20/24	58.4	3.2	DALWAN 11 01/20/25	77.6	-3.7
ROADKG 5.9 03/05/25	53.1	3.2	DALWAN 7 1/4 12/29/24	86.7	-2.3
ROADKG 6.7 09/30/24	71.4	2.7	TAISEM 4 1/2 04/22/52	95.0	-1.4
GEMDAL 4.95 08/12/24	84.0	2.6	RILIN 3 3/4 01/12/62	70.2	-1.2

#### ❖ Marco News Recap 宏观新闻回顾

**Macro** – S&P (-0.29%), Dow (-0.35%) and Nasdaq (-0.30%) were weak on Thursday. US Feb'24 PPI was +0.6% mom, higher than the expectation of +0.3% mom. The latest US initial jobless claim was +209k, lower than the expectation of +218k. UST yield rallied higher yesterday, 2/5/10/30 yield reached 4.68%/4.29%/4.29%/4.44%.

#### ❖ Desk analyst comments 分析员市场观点

##### ➤ **GZRFPR: Further increase in consent fee to 0.25% but modification, not sweetening, the exchange offers**

Guangzhou R&F (GZRF) and London One Limited, the offerer, announced the changes in consent solicitation and exchange offers. To us, the only highlight of the modification is that Tranche C perps could be cleared through Euroclear/Clearstream. This will make the Tranche C perps more likely to be tradable though whether the perps will be cleared is still at the discretion of London One, i.e. Cheung Chung Kiu. Meanwhile, GZRF further increased the consent fee to 0.5/0.25% from 0.1%. Recalled that there was no consent fee in the initial consent solicitation and GZRF proposed to pay consent fee of 0.1% on 8 Mar'24. We do not think the needle moved for the small consent fee and the immaterial modifications from bondholders' perspective. It remains challenging for the consent to go through unless Cheung and its concerted parties have already owned positions in each of the 3 USD bonds sufficient to secure the approvals. Cheung and his concerted parties do not disclose their positions and they are not required to abstain from voting in the consent meeting. Please read our comments on GZRF's consent solicitation and Cheung's proposed exchange offers [in the daily on 6 Mar'24](#).

The key modifications are:-

1. to raise the initial capital call amount to GBP840mn from GBP820mn. This should be related to additional costs resulting from the consent fee. We estimate that the consent fee could cost cUSD14mn. Hence, the subscribed amount for Tranche A perps of Anchor Investors, Key Investors, Investors will change accordingly.
2. to increase the loan advanced to the seller R&F Properties (HK) (a company 100% owned by GZRF) to USD30mn from USD5mn. The loan will be funded with proceeds from Tranche A perps issuance and used by the seller to fund costs of consent solicitation and the sale of London properties. The payment rank of the loan is senior to Tranche A/B/C perps issued by offeror.
3. to include a provision that permits the offeror to elect whether the Tranche C perps could be cleared through Euroclear or Clearstream. Before the modification, all Tranche A/B/C perps will not be cleared through any clearing systems and will be held in registered definitive form.

GZRF also relaunched consent solicitation and rescheduled bondholder meeting to 5 Apr'24 from 21 Mar'24. In the relaunched consent solicitation, GZRF provided 0.5/0.25pt early/base consent fee and set early/base consent deadline at 28 Mar'24/2 Apr'24. It is the second time GZRF sweetened consent fee that it firstly increased 0.1pt consent fee on 8 Mar'24.

**Table 1: Change in consent solicitation**

**Proposed amendment in respect of notes:**

1. removal of "Disposal of Specified London Asset, Security over Designated London Account" covenant
2. removal of the Information Undertaking in respect of the Specified London Asset (ONE Nine Elms)
3. carving out Specified London Asset from the definition of "Asset Sale"; and
4. other conforming changes, including the amendment or deletion of certain definitions and cross-references to the foregoing amended provisions

<b>Consent fee:</b>	<b>No consent fee (28 Feb'24) → 0.1pt (8 Mar'24) → 0.5/0.25pt (14 Mar'24)</b>
Quorum requirement:	Two or more persons holding in aggregate over 50% in principal amount of existing bonds attend EGM and 75% of holders in principal amount vote for the consent in the EGM
<b>Consent solicitation expiration date:</b>	<b>18 Mar'24 → 28 Mar'24/2 Apr'24 (early/base)</b>
Long stop date:	31 May'24

Source: Company fillings.

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

Issuer/Guarantor	Size (USD mn)	Tenor	Coupon	Priced	Issue Rating (M/S/F)
Hyundai Capital America	800/500	3/5yr	5.3%/5.35%	T+90/108	A3/BBB+/-
Hyundai Capital America	400	3yr	6.386%	SOFR+104	A3/BBB+/-
Singapore Airlines	500	10yr	5.25%	T+110	-/-/-

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

Issuer/Guarantor	Currency	Size (USD mn)	Tenor	Pricing	Issue Rating (M/S/F)
Shuifa Group	USD	-	3yr	7.4%	Baa2/-/-

➤ **News and market color**

- Regarding onshore primary issuances, there were 110 credit bonds issued yesterday with an amount of RMB103bn. As for month-to-date, 1,057 credit bonds were issued with a total amount of RMB978bn raised, representing a 10.8% yoy increase
- **[APLNIJ]** Moody's downgraded Agung Podomoro to Caa3 from Caa2 and placed negative outlook
- **[BABA]** Alibaba plans to invest USD1.1bn in South Korea to expand its business and build logistic center
- **[CCUDIH]** Changchun Urban Development & Investment Holdings (Group) to issue USD100mn 7% guaranteed bonds due 2026

- **[DALWAN]** Zhuhai Wanda Commercial Management has additional RMB5.1bn equity frozen by Shanghai court
- **[GRNKEN]** Greenko launched consent solicitation to amend GRNKEN 5.5 04/06/2025 with 0.25pt consent fee
- **[SMCGL]** San Miguel Global Power FY23 revenue down 23% to USD3.06bn and EBITDA rose 34% to USD402.5mn
- **[SMCPM]** San Miguel FY23 revenue down 4% to USD26.1bn and EBITDA rose 24.4% to USD3.7bn
- **[WB]** Weibo FY23 revenue down 4% to USD1.76bn and adj. EBITDA rose 7.6% to USD630mn
- **[YESTAR]** Yestar Healthcare's restructuring of USD bonds became effective on 14 Mar'24
- **[YUZHOU]** Yuzhou Group announced more than 84% of holders of existing public notes, additional existing debt instruments accede to RSA; It expects FY23 revenue to down 20% to cRMB21.5bn

#### Fixed Income Department

Tel: 852 3657 6235/ 852 3900 0801

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

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