



# Credit Week in Brief

Global Markets Research

03 March 2025

# Credit: Asiadollar Weekly Overview

## Spreads rebounded off lows amidst Trump policies and rates decline

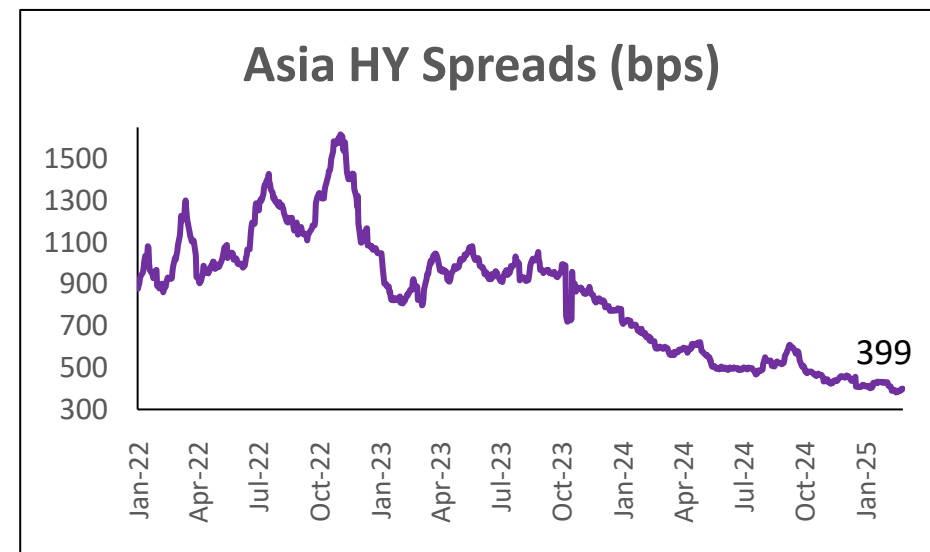
Indices	1 Week Change (bps)	OAS Spread
Asia IG (BAIGOAS Index)	+2	70bps
Asia HY (BAHYOAS Index)	+11	399bps

- **Spreads widened**, including that for IG, with uncertainty surrounding policies by President Donald Trump.
- **Surge in primary market issuances** following fall in UST yields.
- **Updates on China developers:** Greentown China Holdings repurchasing two notes due in 2025. China Vanke will repay RMB890mn of three year 3.14% onshore bonds. However, Country Garden Holdings is expected to miss its self-imposed deadline for restructuring. Shimao offshore debt restructuring received approval from necessary majorities. Oaktree Capita Management is seeking to claim Evergrande's assets outside the Hong Kong liquidation process.
- **Guangdong province announced large-scale bond issuance plan to purchase idle land**, to raise RMB30.7bn through special government debt.
- **China intends to recapitalize three of its largest banks** (Agricultural Bank of China Ltd, Bank of Communications Co and Postal Savings Bank of China Co) in the coming months, injecting at least RMB400bn in new capital.



Source: Bloomberg, OCBC

## IG and HY widened w/w



# Credit: Asiadollar New Issues

Significant issuances in the Asiadollar market, anchored by HSBC

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
24 Feb	HSBC Holdings PLC	Subordinated, AT1	USD	1500	PerpNC7	6.95%
25 Feb	Bank of China Ltd/Sydney	FRN	USD	500	3Y	SOFR+50bps
25 Feb	Varanasi Aurangabad Nh-2 Tollway Pvt Ltd (guarantors: Indus Concessions India Pvt Ltd and Indus Concessions Infra Pvt Ltd)	Sinkable, Senior Unsecured	USD	316	9NC3	5.90%
25 Feb	Jinjiang Road & Bridge Construction Development Co Ltd (guarantor: Fujian Jinjiang Construction Investment Holding Group Co Ltd)	Fixed	USD	158	364 Days	6.35%
25 Feb	CSCIF Hong Kong Ltd (guarantor: China Securities International Finance Holding Co Ltd)	Floating	USD	110	3Y	SOFR+70bps
26 Feb	HSBC Holdings PLC	Fixed-to-FRN	USD	1500	4NC3	T+85bps
26 Feb	HSBC Holdings PLC	FRN	USD	750	4NC3	SOFR+103bps
26 Feb	HSBC Holdings PLC	Fixed-to-FRN	USD	1750	6NC5	T+105bps
26 Feb	HSBC Holdings PLC	FRN	USD	750	6NC5	SOFR+129bps

^ Includes AUS & JPY Issuance



Source: Bloomberg, OCBC

# Credit: Asiadollar New Issues

Significant issuances in the Asiadollar market, anchored by HSBC (continued)

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
26 Feb	HSBC Holdings PLC	Fixed-to-FRN	USD	2250	11NC10	T+120bps
26 Feb	Zhoukou Urban Construction Investment Development Co Ltd	Fixed	USD	120	3Y	6.80%
26 Feb	Chengdu Dongfang Guangyi Investment Co. Ltd.	Fixed	USD	170	3Y	5.50%
27 Feb	Chengdu Jianjiang Investment Group Co. Ltd. (SBLC Provider: Huishang Bank Corporation Limited)	Sustainable, Fixed	USD	100	3Y	4.94%
27 Feb	Qingdao Bullet Train Town Investment Group Co Ltd (guarantor: Qingdao Bei'an Holding Group Co Ltd)	Green, Fixed	USD	60	3Y	6.90%
27 Feb	Tengzhou Xinhua Investment Group Co Ltd	Fixed	USD	50.02	Retap of TZXHIG 6.9% '28s	N.A.
28 Feb	Qingdao Jiaozhou Urban Development & Investment Co Ltd	Green, Fixed	USD	150	3Y	7.00%
28 Feb	Sichuan Xinyao Chancheng Integration Ind Investment & Development Group Co. Ltd. (guarantor: Tianfu Bond Insurance Co.,Ltd)	Fixed	USD	110	3Y	7.00%
28 Feb	Jiangsu Tenghai Investment Holdings Group Co.,Ltd.	Fixed	USD	100	3Y	4.78%

^ Includes AUS & JPY Issuance



Source: Bloomberg, OCBC

# Credit: SGD New Issues

## Small issuance in the SGD market

Date	Issuer	Type	Currency	Size (mn)	Tenor	Final Pricing
24 Feb	FCT MTN Pte. Ltd.	Green, Fixed	SGD	80	7Y	3.30%
28 Feb	MPACT Treasury Company Pte. Ltd. (guarantor: Mapletree Pan Asia Commercial Trust)	Green, Fixed	SGD	200	7Y	3.104%

# Credit Research Views: SGD Weekly Overview

SGD credit market rose +0.24% following significant decline in SORA OIS yields.

	Key Statistics			Total Returns			
	(1 Jan 2021 = 100)	Eff Mty	Market Cap	w/w	m/m	y/y	Since Jan 2021
<b><u>By Tenor &amp; Structure</u></b>							
AT1s	111.2	3.4	\$11,954m	0.09%	0.7%	6.9%	11.2%
Non-Financial Corp Perp	117.9	11.6	\$13,043m	0.18%	0.6%	9.7%	17.9%
Tier 2s and Other Sub	113.5	4.0	\$16,818m	0.10%	0.7%	6.4%	13.5%
Longer Tenors (>9Y)	97.4	23.1	\$13,667m	0.45%	1.0%	10.2%	-2.6%
Mid Tenors (>3Y to 9Y)	107.5	4.9	\$38,651m	0.41%	0.7%	6.0%	7.5%
Short Tenors (>1Y to 3Y)	111.2	1.9	\$25,704m	0.17%	0.5%	5.2%	11.2%
Money Market (<12 months)	114.3	0.5	\$11,711m	0.07%	0.3%	4.6%	14.3%
<b><u>By Issuer Profile Rating</u></b>							
POS (2)	110.4	7.9Y	\$7,323m	0.12%	0.6%	5.9%	10.4%
N(3)	112.6	3.5Y	\$23,027m	0.12%	0.7%	6.3%	12.6%
N(4)	113.1	7.4Y	\$22,305m	0.12%	0.5%	6.5%	13.1%
N(5)	112.2	2.2Y	\$5,636m	0.10%	0.4%	8.9%	12.2%
<b>OCBC MODEL PORTFOLIO</b>	119.2	3.1Y	\$6m	0.11%	0.6%	9.8%	19.2%
<b>SGD Credit Universe</b>	108.0	6.3Y	\$128,376m	0.24%	0.6%	6.7%	8.0%



Source: Bloomberg, OCBC full description in SGD Credit Outlook 2023, pg lxi

# Credit: Top Happenings in SGD Credit Market

## Ongoing developments at City Developments Ltd (“CDL”)

- **Board and management tussle:** Mr Kwek Leng Beng (CDL Executive Chairman) publicly accused his son Mr Sherman Kwek (CDL Group CEO) of attempting a boardroom ‘coup’, alleging that two new independent directors were appointed without full board approval and bypassing CDL’s nomination committee, in a serious lapse of corporate governance. In turn, Mr Sherman Kwek singled out Dr Catherine Wu as a source of dispute. Four CDL directors took legal steps against the other CDL directors.

### CDL Board of Directors



**Kwek Leng Beng,**  
Executive Chairman



**Philip Yeo,**  
Non-Independent  
Non-Executive Director



**Colin Ong,**  
Independent  
Non-Executive Director



**Chong Yoon Chou,**  
Independent  
Non-Executive Director



**Sherman Kwek,**  
Executive Director  
Group CEO



**Philip Lee,**  
Lead Independent Director



**Wong Ai Ai,**  
Independent  
Non-Executive Director



**Carolina Chan Swee Liang,**  
Independent  
Non-Executive Director



**Daniel Marie Ghislain Desbaillets**  
Independent  
Non-Executive Director



**Jenifer Duong Young,**  
Independent  
Non-Executive Director



**Wong Su Yen,**  
Independent  
Non-Executive Director



Source: CNA, Company, OCBC

# Credit: Top Happenings in SGD Credit Market

## Ongoing developments at City Developments Ltd (“CDL”): Continued

- **A temporary ‘ceasefire’ pending court developments:** Two recently appointed directors have undertaken not to exercise any powers. No further actions to be undertaken regarding attempted changes to the board committees and management of CDL’s subsidiaries. Recently constituted Nominating and Remuneration Committee suspended.
- **Mr Kwek Leng Beng looking to install a professional CEO:** Aside from the alleged corporate governance lapse, Mr Kwek Leng Beng cited Mr Sherman Kwek’s leadership putting CDL in precarious position, including SGD1.9bn loss from investment in Sincere Property and poor returns from UK property ventures. Kwek Leng Ben intends to hire a professional CEO, while in the interim Kwek Eik Sheng (nephew of Mr Kwek Leng Beng) who is the current Group COO could takeover.
- **Business as usual, for now:** CDL’s business operations remain unaffected. Mr Sherman Kwek remains as the Group CEO until there is a Board resolution to change the company leadership – it remains to be seen if sufficient directors will vote for a change.
- **Directors to be re-elected by shareholders, control of CDL is key:** CDL is 48.55% owned by Hong Leong Investment Holdings. The ownership appears to be scattered between the Kwek family. We note that Kwek Leng Peck in 2020 resigned as director of CDL, due to disagreement with the board on the investment surrounding Sincere. **Will there be a battle of control over CDL?**



Source: The Edge, ACRA, Company, OCBC

City Developments		
Name of shareholder	Number of shares	Stake (%)
Hong Leong Investment Holdings	440,316,144	48.55

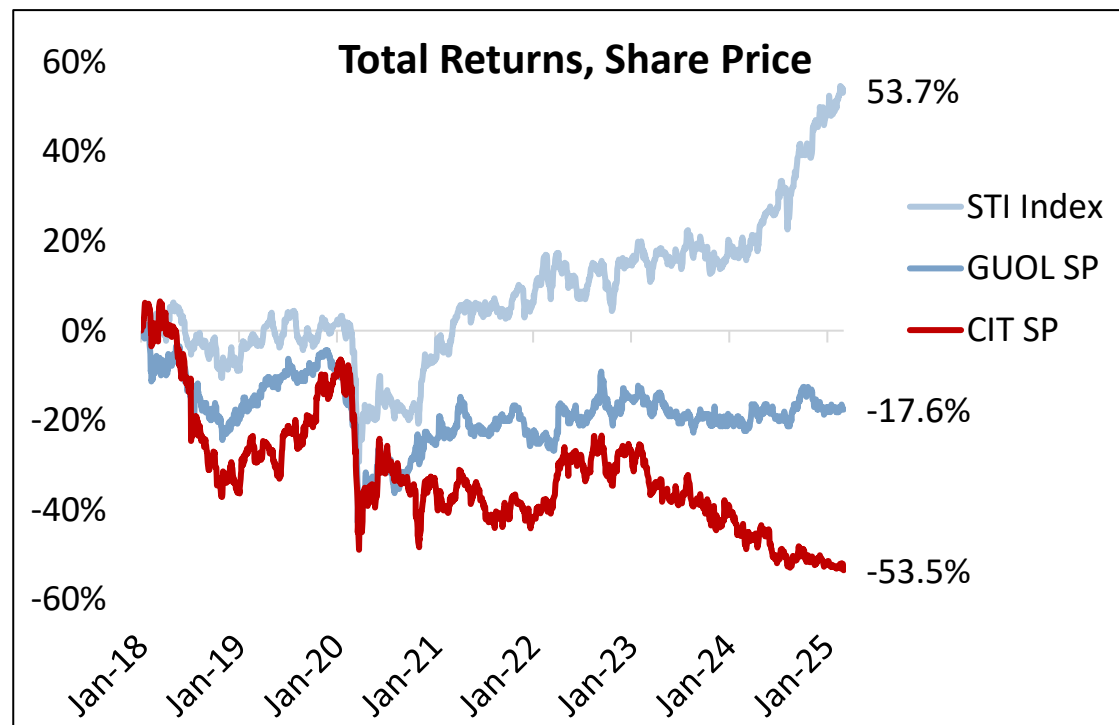
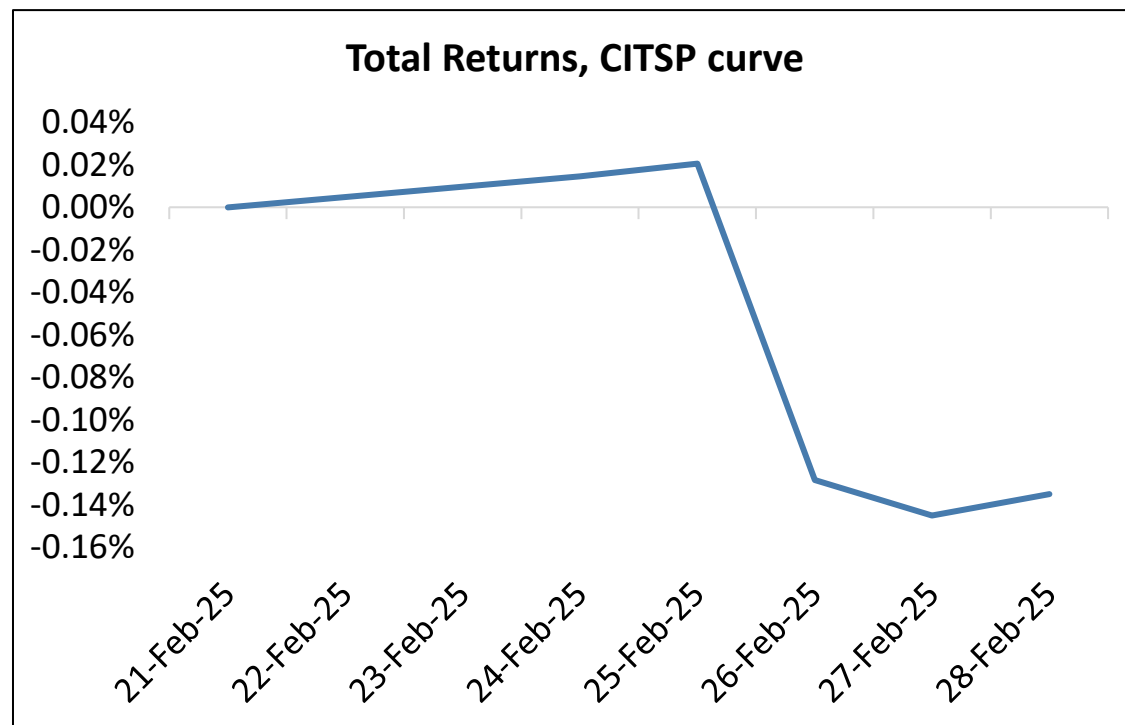
Hong Leong Investment Holdings		
Name of shareholder	Number of shares	Stake (%)
Davos Investment Holdings	47,019	33.59
Kwek Holdings	40,744	29.10
Kwek Leng Keow	10,922	7.80
Kwek Leng Peck	10,921	7.80
Quek Seok Choo	6,716	4.80
Baksun Kwek Leng Seng	3,025	2.16
Kwek Lay Kuan	2,757	1.97
Kwek Leng Beng	2,320	1.66
Kwek Lay Choo	2,289	1.64
Huang Siew Bin	2,204	1.57
Kwek Lay Hoon	1,377	0.98
Kwek Lay Yong	1,276	0.91
Kwek Lay Har	1,273	0.91
Kwek Lay Hong	1,221	0.87
Sherman Kwek	1,174	0.84
Kwek Eik Sheng	1,016	0.73
Brian Kwek	1,016	0.01
Kwek Lee Hoon	989	0.01
Kwek Geok Lian	752	0.54
Kevin Hangchi	518	0.37
Hangchi Jeanette	471	0.34
<b>Total no. of shares</b>	<b>140,000</b>	



# Credit: Top Happenings in SGD Credit Market

## Ongoing developments at City Developments Ltd (“CDL”): Continued

- **CITSP curve inching lower.**
- **Bonds structured with little protection:** No change of control / delisting put / financial covenant / disposal
- **Wide range of scenarios possible:** Highlights impact of governance on credit profile, may also be influenced by recent performance.



# Credit: Top Happenings in SGD Credit Market

## Company results: Several reported weaker results/results that remain weak

- **City Developments Ltd 2024 reported PBIT fell 20.9% y/y to SGD374.0mn** as revenue fell 33.8% y/y due to absence of revenue booking from sizeable projects, delay in construction progress and higher financing costs. That said, Singapore property should anchor profitability going forward, with projects continuing to sell well and more launches ahead. Hotel operations recorded lower operating profit despite higher RevPAR. Investment properties performed better with stronger portfolio statistics. **Credit metrics stable h/h with reported net gearing at 69% though reported interest cover weakened y/y to 2.1x due to the weaker results.**
- **Hotel Properties Ltd 2024 gross profit of SGD143.7mn remains insufficient to cover expenses** including financing (SGD105.6mn) and administration expenses (SGD78.8mn). Cashflow from operating activities does not cover capex, finance cost and dividends. Credit metrics remain weak, net may increase. Meanwhile, **HPL Managing Director Mr Ong Beng Seng intends to plead guilty.** Business as usual for now before the upcoming hearing on 2 April 2025.
- **CapitaLand Investment Ltd 2024 reported operating PATMI fell 10.2% y/y to SGD510mn** as Real Estate Investment Business contribution shrank 21.0% y/y to SGD215mn while Fee-related Income Business grew 10.1% y/y to SGD318mn. The fall is partly deliberate, due to significant shrinkage of balance sheet assets (halved from SGD8.6bn to SGD4.3bn) to turn capital-light. CLI is likely to reduce stakes in listed funds still, following distribution of units in CapitaLand Ascott Trust and CapitaLand Integrated Commercial Trust. **Credit metrics manageable with 3.5x reported interest coverage, though CLI may deploy more capital going forward on net basis, as sales of remaining balance sheet assets are mostly in China which may be relatively difficult to divest.**
- **Lippo Malls Indonesia Retail Trust 2024 NPI fell 5.5% y/y to SGD115.7mn while operating metrics remain lacklustre.** Credit metrics remained weak and ICR fell below MAS requirements of 1.5x. LMRT unlikely to resume distribution to perpetual holders or redeem the perpetuals. Need to raise additional liquidity to repay SGD58.8mn debt maturing in 2026 and capex and AEI.

# Credit: Top Happenings in SGD Credit Market

## Company results: Meanwhile several companies reporting stronger results

- **Sembcorp Industries Ltd decent strong set of 2H2024 results.** Net profit from continuing operations increased by 16% y/y to SGD495mn. Gas and related services (+4%), Renewables (-2% y/y), Integrated Urban Solutions (+38% y/y), Decarbonisation (loss of SGD10mn). Debt to EBITDA was 5.0x in 2024, (2023: 4.1x) though future income generation from investments expected to reduce gross debt to EBITDA. Gas and Related services makes up 54% of adjusted EBITDA, though 72% of capex is directed towards the Renewables Segment.
- **Ho Bee Land Ltd 2024 results were stronger,** with revenue rising 19% y/y due to higher property development revenue and property investment revenue. Property valuations have largely stabilized, with only small valuation losses. Credit metrics manageable with net gearing of 0.66x and improved EBITDA/Interest to 1.7x (2023: 1.6x). That said, it remains to be seen if HOBEE will eventually acquire AVJennings Ltd (total consideration offered currently is around SGD330mn).

## Industry Outlook

- **PropNex sees positive market outlook in 2025,** projecting 3% to 4% rise in private home prices. New unit launches to almost double to an estimated 13,000 units (including ECs). HDB prices expected to increase by 5% to 7%. More developers expect prices to be higher (66.7% vs 35.3% a quarter ago) though more expect property cooling measures (77.8% vs 38.7% a quarter ago). Tighter financing/inflation/interest rates back as a concern again (44.4% vs 22.6% a quarter ago).

# Credit: Top Happenings in SGD Credit Market

## Significant M&A/corporate actions

- **Frasers Property jointly acquires Shanghai site for RMB815.2mn with partners.** Site to yield 189 units and is expected to be green certified.
- **Mapletree Investments Pte Ltd awarded tender for logistics site at HKD3.68bn (~SGD633mn).**
- **United Overseas Bank Ltd selling its retail banking business in mainland China to Fubon Bank (China).** No price is disclosed though UOB's China retail business recorded a pretax loss of RMB17.7mn in 2023.

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