

# Reorg on the Record

Spotlight on Asia

Friday, June 17, 2022

Guest edited from Hong Kong by **Stephen Aldred**  
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The focus on China's "zero Covid" strategy and widespread lockdowns has largely overshadowed a loosening of regulatory policy toward the country's real estate sector. But while that loosening is positive for the sector, the impact of mass lockdowns on the economy is clearly negative.

China's policy response to its slowing economy - including rate cuts and lowered downpayment ratios for new home buyers - has signaled intention to support the real estate sector, effectively recognizing its economic importance.

Five real estate developers -- **Longfor Group**, **Country Garden Holdings**, **CIFI Holdings**, **Seazen Group** and privately owned **Midea Real Estate Holding** -- are now widely viewed by the market as "golden" after being uniquely selected to issue new onshore bonds supported by credit protection instruments.

But other developers still struggle with reduced contracted sales and an ongoing lack of access to funding. It will likely be months before easing measures have a material impact on the market.

If the fate of the five "golden" real estate developers seems assured, high beta names such as **Powerlong Real Estate Holdings** and **Agile Group Holdings** are seen as likely candidates to hit a refinancing wall within the next month or two.

The extent to which China's economic slowdown could affect its real estate developers and restructurings cannot be predicted.

Regards,  
**Stephen Aldred**

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Our Asia teams are delivering the most in-depth data, analysis and reporting on hundreds of credits that are either performing, stressed, distressed, going through restructuring or post-reorg. Below is a glimpse into our editorial offering:



## Logan Group

The company plans to release a restructuring plan for its offshore debt by August as bondholders were displeased with preliminary terms proposed by the company, said two sources familiar with the matter. Meanwhile, an ad hoc group of the company's offshore bondholders that counts **Ropes & Gray** as legal advisor has appointed **PJT Partners** as financial advisor, according to the same sources. » [Continue Reading](#)



## Garuda

Indonesia's flag-carrier **Garuda Indonesia** said (Bahasa Indonesia) on Monday, June 13, that it has submitted a request to the Indonesian court seeking a two-day postponement, to this Friday, June 17, of its composition plan vote under its in-court supervised restructuring (PKPU) proceedings. The company was supposed to hold a vote on the composition plan on Wednesday, June 15, as reported. The remaining agenda of the PKPU proceedings will continue on schedule, including the hearing scheduled on June 20, the press release said. » [Continue Reading](#)



## Shimao Group

In the latest twist, this real estate developer has proposed to extend by two years principal repayment of an RMB 579 million onshore ABS. In a second story of the week, we reported that **Shimao** faced imminent maturity of a \$400 million private placement facility due June 14 whereby a nonpayment may trigger a failure-to-pay credit event under its CDS. The existence of the facility has not been disclosed before. » [Continue Reading](#)



## Vedanta Resources

The company has raised \$500 million through a term loan facility from State Bank of India with an average tenor of four years at about 6% to 8%, according to a source briefed and a source who attended the company's investor call on June 6. Separately, it has also raised a \$100 million revolving credit facility (RCF) from DBS Bank, one of the sources and a third source said. The DBS RCF is likely to carry a tenor of one year, the first two sources said. » [Continue Reading](#)

Americas Core Credit Webinar: June 23 — 12:00 p.m. ET

## Diebold Nixdorf: Can Significant Unencumbered Assets Overcome Massive Maturity Wall?



**Mark Fischer**  
Director of Credit  
Research



**Simran Bal**  
Corporate Credit  
Analyst



**Peter Washkowitz**  
Head of Americas  
Covenants

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### Webinar:

**Diebold Nixdorf** faces a massive maturity wall in the next two to three years. During its first-quarter earnings call, the company announced that it had retained **Evercore** and **Sullivan & Cromwell** to assist in its refinancing efforts, after reporting adjusted EBITDA declined 90.6% year over year in the first quarter on a 12.1% net sales decrease. Join our coverage team for a discussion on the company's options and capacities under its debt documents. » [Register Now](#)

Asia Webinar: Thursday, June 16 — 5 p.m. HKT / 10 a.m. BST

## Shanghai Reopening: View From Front Lines; Update on China Property Sector



**Shasha Dai**  
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Distressed Debt Researcher  
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### Webinar:

Shanghai, China's economic and financial hub, is reopening after a months-long Covid-induced lockdown. Join us on Thursday for a discussion of how lockdowns and subsequent reopening has hit the Chinese real estate sector and the industry's pathway toward recovery. » [Register Now](#)