

CMBI Credit Commentary - AGILE

AGILE: EBs issue strengthened liquidity

Agile issued 5NP3 EBs of cUSD275mn which can be exchanged into shares of A-Living, Agile's 54.3%-owned property management subsidiary. The EBs, if fully exchanged, will lower Agile's stakes in A-Living from 48.1% to 54.3%. The EBs issue is obviously positive to Agile's liquidity in meeting near-term maturities. The way Agile to monetize its property management operations, in our view, is also better for Agile's longer-term developments as the company only divests 6.2% (out of its entire 54.3%) if the EBs exchanged. Additionally, Agile is able to monetize the stakes at a 20% premium over the last close. Agile's entire 54.3% stakes in A-Living is worth cUSD2.3bn based on the last close and this could continue to be a source of liquidity if needed. This morning, AGILEs moved 1-2pts higher, while the belly part of curve outperformed, moved 2-3pts higher.

The EBs bear a coupon rate of 7% and can be exchanged in to c88mn A-living shares at an exchange price of HKD27.48, a premium of 20% over the last close. In addition to the same security package as other USD bonds, the security package for the EB also include 35mn shares (subject to netting against stock borrowings for EB holders' hedging) in A-Living assigned to the trustee of the EBs. In addition to the 35mn shares assigned to the trustee, there is a charge on 19% of the stakes in Delux Star which owns a total of 720mn shares in A-Living. Hence, the EBs are over-collateralized (88mn shares to be exchanged vs 171.8mn shares charged).

EB holders can exchange the bonds into A-Living shares starting from 4 Jan'22 till maturity on 24 Nov'26. The EBs can also be put to Agile at par on year 3, i.e. 24 Nov'24. During the investors' call on 22 Oct'21, Agile mentioned that its only off-balance sheet privately placed offshore bonds were BETHAI 7.15%'21 (o/s USD250mn) due on 24 Nov'21 and the stakes in A-Living was pledged for loans of only USD15mn.

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Agile's Maturity Profile:

AGILE		Maturity Profile		USD RMB = 6.45		
RMB mn	Amount	US\$ Amt.	Maturity	Coupon	Callable Date	Puttable Date
21番雅01	1,450	225	2024/4/9	5.90%		2022/4/9
20雅居1A	950	147	2023/10/28	6.50%		2022/10/28
20番雅01	1,500	233	2022/7/13	6.20%		
20番雅02	1,500	233	2022/10/19	6.20%		
20雅居1B	50	8	2023/10/28	-		
Total Onshore Bonds	5,450	845				
AGILE 3.85% 11/18/2021	1,290	200	2021/11/18	3.85%		
BETHAI 7.15% 11/24/21	1,613	250	11/24/21	7.15%		
AGILE 6.7% 03/07/2022	3,225	500	2022/3/7	6.70%	24/11/2021	
AGILE 5.125% 08/14/2022	1,290	200	2022/8/14	5.13%	24/11/2021	
AGILE 4.85% 08/31/2022	2,580	400	2022/8/31	4.85%		
AGILE 5.75% 01/02/2025	3,225	500	2025/1/2	5.75%	2/1/2023	
AGILE 5.5% 04/21/2025	2,025	314	2025/4/21	5.50%	21/4/2024	
AGILE 6.05% 10/13/2025	3,115	483	2025/10/13	6.05%	13/10/2023	
AGILE 5.5% 05/17/2026	2,903	450	2026/5/17	5.50%	17/5/2024	
AGILE 7.875% PERP	3,225	500	PERP	7.88%	31/7/2024	
AGILE 6.875% PERP	3,225	500	PERP	6.88%	7/3/2023	
AGILE 8.375% PERP	4,515	700	PERP	8.38%	4/12/2023	
AGILE 7.75% PERP	1,290	200	PERP	7.75%	25/5/2025	
Total Offshore Bonds	33,521	5,197				

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