2026H1 China Offshore Bond Market Report

中國誠信(亞太)信用評級有限公司
CHINA CHENGXIN (ASIA PACIFIC) CREDIT RATINGS COMPANY LIMITED

Analysts Contacts

Saul Zuo
+852-2860 7142
saul_zuo@ccxap.com

Natalie Xu
+852-2860 7126
natalie_xu@ccxap.com

Peter Chong
+852-2860 7124
peter_chong@ccxap.com

Other Contacts

Elle Hu
+852-2860 7120
elle_hu@ccxap.com

China offshore bond issuance declined slightly, operational and liquidity risks of weak-credit Chengtou warrant attention

China offshore bond market review in 2026H1

- **The issuance scale of new Chinese offshore bonds declined slightly, with net financing remaining negative.** In 2026H1, as Chengtou financing policies continued to tighten and the macroeconomic interest rate environment changed, primary market issuance showed an increase in the number of bonds issued but a decline in issuance amount. A total of 141 Chinese entities issued 643 offshore bonds, with the number of bonds issued up 6.6% YoY, while issuance amounted to USD55.91 billion, down 9.6% YoY. Net financing in 2026H1 was USD-20.96 billion, marking consecutive years of net outflows.

- **Offshore bond issuance in all non-Chengtou sectors recorded YoY growth.** By industry classification, financials, industrials, Chengtou, and real estate accounted for 59.2%, 22.3%, 14.0%, and 4.5% of total issuance in 2026H1, respectively. Among them, offshore bond issuance by financial institutions amounted to USD33.11 billion, up 28.0% YoY. Industrial issuance reached USD12.47 billion, up 86.5% YoY. Real estate issuance totaled USD2.52 billion, up 27.9% YoY. Chengtou issuance fell to USD7.81 billion, down 71.4% YoY.

- **Chinese offshore USD bond issuance declined YoY, while offshore RMB bond issuance increased YoY.** In 2026H1, Chinese offshore USD bond issuance totaled USD33.05 billion, down 28.7% YoY, with its share of total issuance falling to 59.1%. Offshore RMB bond issuance amounted to USD19.72 billion, up 45.4% YoY, with its share rising to 35.3%.

- **Direct issuance accounted for over half of Chinese offshore bond issuance, while coupon rates trended downward.** In 2026H1, direct issuance and guaranteed issuance of Chinese offshore bonds amounted to USD29.57 billion and USD20.49 billion, representing 52.9% and 36.7% of total issuance, respectively. As the share of offshore RMB bond issuance and highly rated issuers increased, the average coupon rate of Chinese offshore bonds declined to 3.60% in 2026H1.

- **Investment-grade issuance expanded significantly, with financial institutions as the main investment-grade issuers.** In 2026H1, a total of 83 Chinese offshore bond issuers obtained ratings from the three major international rating agencies, including 79 investment-grade issuers with issuance of USD46.93 billion and 4 high-yield issuers with issuance of USD1.47 billion. In 2026H1, 29 issuers obtained ratings from Chinese rating agencies, with issuance totaling USD4.51 billion.

- **In 2026H1, the overall secondary market for Chinese offshore bonds showed a volatile and upward trend, with the real estate sector showing the greatest volatility.** In 2026Q1, affected by the renewed stress in property bonds, returns in the high-yield segment retreated notably. In 2026Q2, after risks on USD property bonds stabilized, returns turned positive. As of June 30, 2026, the total return index of Chinese offshore debt was 1.32%, of which the return rate of investment-grade bonds was 1.26% and the return rate of high-yield bonds was 1.68%.

- **Negative rating actions decreased significantly, mainly involving property issuers.** In 2026H1, the three major international rating agencies took rating actions on 40 Chinese issuers, including 4 negative actions and 44 positive actions, with negative actions accounting for only 8% of the total.

Outlook

- Looking ahead to the second half of the year, RMB financing costs are expected to remain low, thereby boosting the supply of "Dim Sum bonds." Coupled with the accelerated internationalization of the RMB and enhanced cross-border financing capabilities, the issuance volume of Dim Sum bonds is projected to grow steadily; furthermore, as relevant support measures in both the Mainland and Hong Kong are implemented, the issuer base is expected to become increasingly diversified. On the investment side, the expansion of the "Southbound Bond Connect" scheme—now including non-bank financial institutions such as securities firms, insurance companies, and wealth and asset management firms—is expected to diversify the investor base, fostering the long-term, stable development of the offshore bond market.

- As the credit relationship between local governments and enterprises is reshaped, the combination of weakened government support for lower-quality entities and liquidity pressures may lead to a further surfacing of "tail risks" among Local Government Financing Vehicles (LGFVs). Moving forward, close attention must be paid to the operational and liquidity risks faced by LGFVs as they exit the government financing platform system—risks driven by liquidity strain, insufficient asset revitalization, and poor-quality business transformation. With regulatory oversight of LGFVs tightening since 2025, the issuance volume of offshore bonds by these entities is expected to continue to contract.

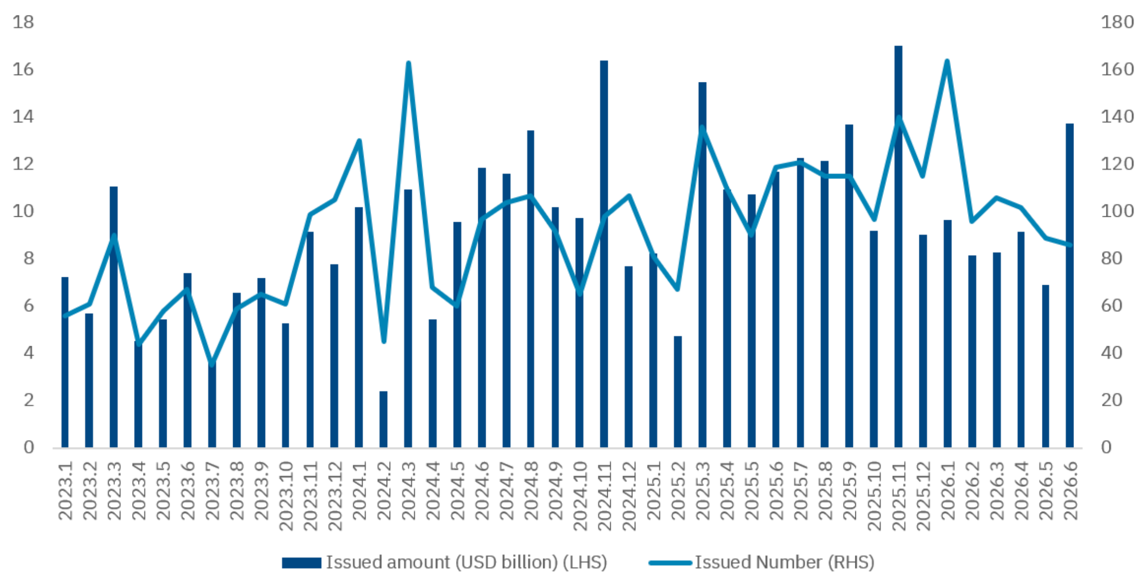
China offshore bond market review

Primary market

The issuance scale of new Chinese offshore bonds declined slightly, with net financing remaining negative. In 2026H1, as Chengtou financing policies continued to tighten and the macroeconomic interest rate environment changed, primary market issuance showed an increase in the number of bonds issued but a decline in issuance amount. A total of 141 Chinese entities issued 643 offshore bonds, with the number of bonds issued up 6.6% YoY, while issuance amounted to USD55.91 billion, down 9.6% YoY. This trend was driven by active issuance by financial institutions with smaller deal sizes, a sharp contraction in Chengtou issuance, the reversal of expectations on Federal Reserve policy and geopolitical conflicts pushing up US Treasury yields, and the widening China-US interest rate inversion prompting some issuers to delay issuance. Under the dual pressure of insufficient new financing momentum and large-scale bond maturities, net financing in 2026H1 was USD-20.96 billion, marking consecutive years of net outflows in the China offshore bond market.

Overall, in 2026H1, monthly issuance amounts showed mixed YoY changes. On a monthly basis, driven by a low base effect, February issuance increased by 72.5% YoY, the highest YoY growth in the first half. January and June also recorded positive growth, up 16.9% and 17.8% YoY respectively, with June rebounding notably supported by industrial and financial issuers, totaling USD13.76 billion. In contrast, March, April, and May all saw YoY declines of 46.6%, 16.5%, and 35.4%, respectively, mainly due to the high base created by Chengtou issuers front-loading issuance before approval expirations in the same period last year, with March showing a particularly sharp decline, as March 2025 marked the peak monthly issuance of Chengtou issuance in the past five years.

Figure 1: Amount and number of Chinese offshore bonds issued (2023-2026H1)



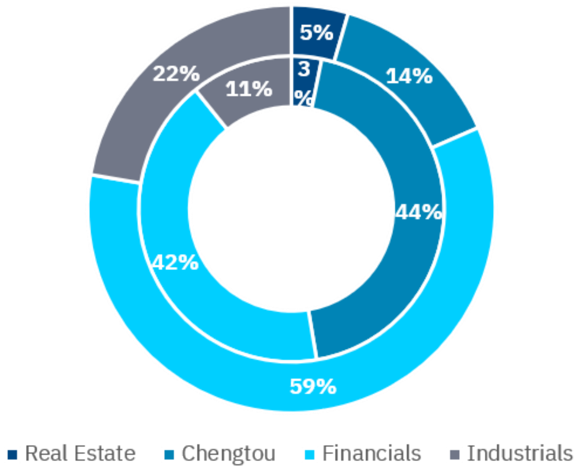
Source: CCXAP research

Offshore bond issuance in all non-Chengtou sectors recorded YoY growth. By industry classification, financials, industrials, Chengtou, and real estate accounted for 59.2%, 22.3%, 14.0%, and 4.5% of total issuance in 2026H1, respectively. Among them, driven by refinancing demand and optimizations to the Bond Connect mechanism, offshore financing by financial institutions became more active, although average deal size and tenor trended downward, with issuance by financial institutions reaching USD33.11 billion, up 28.0% YoY. With policies encouraging high-quality enterprises to raise funds offshore, industrial issuers led by technology and internet companies accelerated overseas fundraising, with industrial issuance amounting to USD12.47 billion, up 86.5% YoY. Property developers continued to restore offshore financing channels following the breakthrough in 2025, issuing USD2.52 billion (excluding exchange offers and restructuring bonds), up 27.9% YoY. On the other hand, regulatory tightening on offshore bond financing by Chengtou further intensified. On top of strict controls on new issuance, refinancing in the offshore market faced stricter approval reviews, while the China-US interest rate inversion prompted some issuers to turn to the onshore bond market for debt swaps. As a result, Chengtou offshore bond issuance fell to USD7.81 billion, down 71.4% YoY. In terms of net financing, all sectors recorded net outflows, with net financing for Chengtou, real estate, industrials, and financials at USD-8.15 billion, USD-7.48 billion, USD-4.23 billion, and USD-1.11 billion, respectively. Notably, after recording negative net financing for the first time in 2025, the Chengtou sector saw its refinancing gap widen further in 2026H1, with the contradiction between narrowing offshore financing channels and maturing debt rollover becoming more pronounced.

Driven by policy support and endogenous demand, industrial offshore bonds exhibited an expanding issuer base and diversified financing currencies. In terms of issuer composition, technology and internet companies dominated financing volumes, with Tencent Holdings, Kuaishou Technology, and JD.com together accounting for 65.1% of total industrial issuance in 2026H1. Among them, Kuaishou Technology chose dual-currency offshore financing upon its first entry into the bond market, JD.com issued offshore RMB bonds for the first time, and Tencent Holdings also adopted a dual-currency issuance strategy, reflecting that more high-quality industrial issuers are proactively leveraging the low interest rate environment of the offshore RMB market for financing. The participation of such high-quality issuers also helps enhance the market depth and international influence of offshore RMB bonds. Meanwhile, driven by window guidance encouraging mining and manufacturing enterprises to expand offshore financing channels, Inner Mongolia Xingye Silver & Tin Mining Co., Ltd. and Global New Material International Holdings Limited completed offshore bond issuances of USD0.20 billion and JPY4.63 billion, respectively, as first-time issuers. Offshore bond financing by industrial issuers primarily serves long-term strategic development and major project construction. To match investment payback periods, their issuance tenors tend to be medium-to-long term, with the weighted average issuance tenor[1] of industrial issuers in 2026H1 reaching 8.29 years, significantly higher than the overall weighted average tenor of 3.91 years for Chinese offshore bonds during the same period, effectively contributing to an improved maturity structure in the offshore bond market.

[1] Calculated on an issuance-amount weighted basis.

Figure 2: Industry distribution of Chinese offshore bonds in 2025H1 and 2026H1



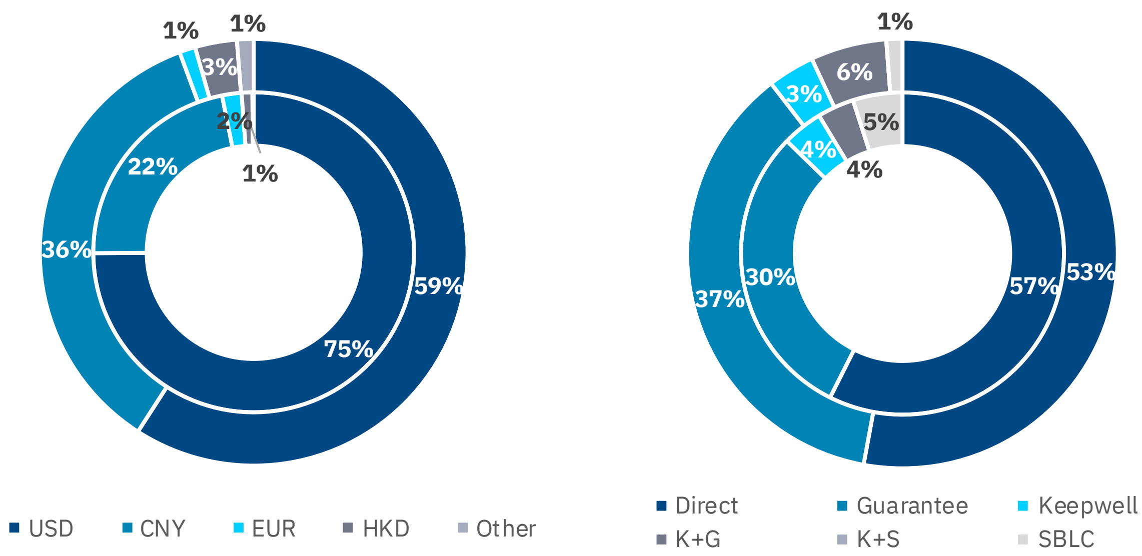
Inner Circle is the statistics of 2025H1; Outer Circle is the statistics of 2026H1

Source: CCXAP research

Chinese offshore USD bond issuance declined YoY, while offshore RMB bond issuance increased YoY. In 2026H1, Chinese offshore USD bond issuance totaled USD33.05 billion, down 28.7% YoY, with its share of total issuance falling to 59.1%. The contraction was primarily driven by Chengtou USD bond issuance, which fell from USD19.92 billion in 2025H1 to USD4.28 billion, down 78.5% YoY, making it the only sector to record a YoY decline in USD bond issuance. Offshore RMB bond issuance amounted to USD19.72 billion, up 45.4% YoY, with its share rising to 35.3%. As the China-US interest rate inversion worsened, more enterprises chose offshore RMB financing. Among them, Dim Sum bond issuance by financial institutions and industrial enterprises reached USD9.83 billion and USD5.91 billion, respectively, up 112.5% and 162.4% YoY, effectively offsetting the contraction in Chengtou Dim Sum bonds (down 48.2% YoY to USD3.39 billion). In terms of other currencies, supported by the funding cost advantage of HKD and market demand for high-grade bond allocation, HKD bonds issued by financial institutions totaled USD1.77 billion, up 164.3% YoY.

The issuance structure of Chinese offshore bonds further concentrated toward direct issuance and guaranteed issuance, while external credit enhancement channels continued to narrow. In 2026H1, direct issuance and guaranteed issuance of Chinese offshore bonds amounted to USD29.57 billion and USD20.49 billion, representing 52.9% and 36.7% of total issuance, respectively. While the share of direct issuance declined slightly compared with the same period last year, it still represented more than half of the total, whereas the share of guaranteed issuance increased. In addition to guarantees provided by parent or affiliated companies, keepwell agreements as a supplementary form of internal credit enhancement amounted to USD1.97 billion, accounting for 3.5% of total issuance. In terms of external credit enhancement, issuance via standby letters of credit (SBLC) and commercial guarantees/credit enhancement companies amounted to USD0.67 billion and USD0.76 billion, respectively. Issuers using external credit enhancement were mainly concentrated among Chengtou enterprises, as regulatory tightening on Chengtou financing continued, issuance through both channels contracted sharply YoY, down 78.1% and 77.0%, respectively.

Figure 3: Issuance structure and currency composition Chinese offshore bonds in 2025H1 and 2026H1



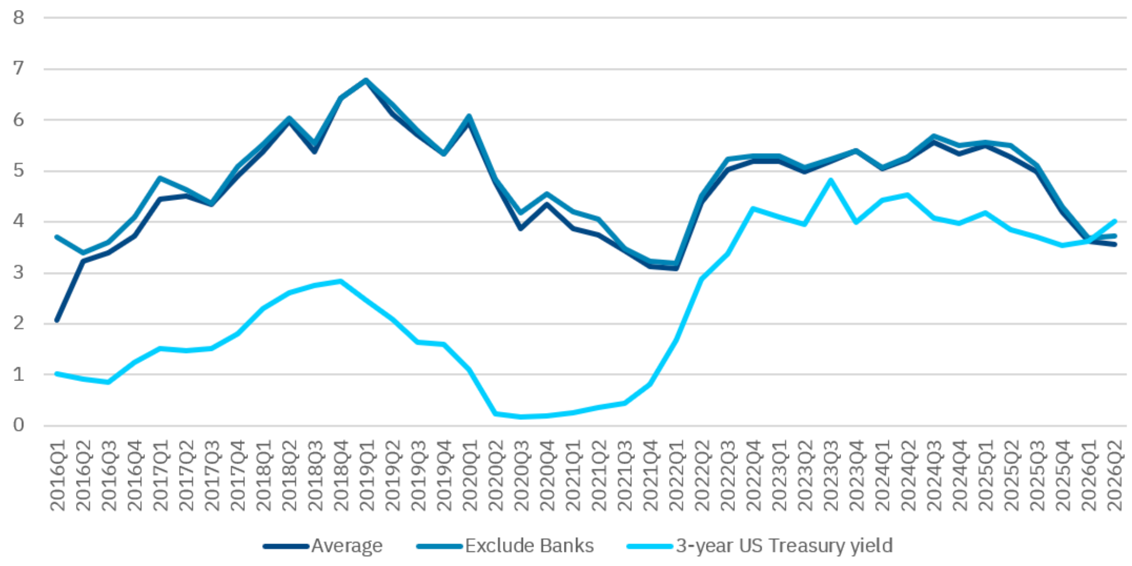
Inner Circle is the statistics of 2025H1; Outer Circle is the statistics of 2026H1

Source: CCXAP research

Coupon rates for Chinese offshore bonds trended downward. In 2026H1, the Fed kept the federal funds target range unchanged at 3.50%-3.75%, and market expectations for the Fed's policy path shifted from rate cuts at the start of the year to rate hikes, with US Treasury yields fluctuating upward. China's Loan Prime Rate (LPR) remained unchanged, with the 1-year and over-5-year LPR at 3.00% and 3.50%, respectively. Over the same period, the yield spread between 10-year US and Chinese government bonds widened from -232.0 basis points at the start of the year to -273.2 basis points by end-June 2026, with the inversion deepening by 41.2 basis points. As the share of offshore RMB bond issuance and highly rated issuers increased, the average coupon rate[2] of Chinese offshore bonds declined to 3.60% in 2026H1, down 137 basis points from 4.97% in full-year 2025. On a quarterly basis, the average coupon rate was 3.63% in Q1 and further declined to 3.55% in Q2. By sector, average coupon rates for real estate, Chengtou, financial, and industrial bonds were 7.78%, 4.50%, 3.35%, and 3.97%, respectively. Notably, real estate sector coupons rose rather than fell, up 144 basis points from 6.34% in 2025, reflecting that credit risk premiums in the sector remain elevated. In contrast, coupon rates for Chengtou, financial, and industrial bonds declined to varying degrees.

[2] The statistical scope refers to bonds with fixed coupon rates and without call/put options.

Figure 4: Average coupon rates of Chinese offshore bonds issued (2016-2026H1)



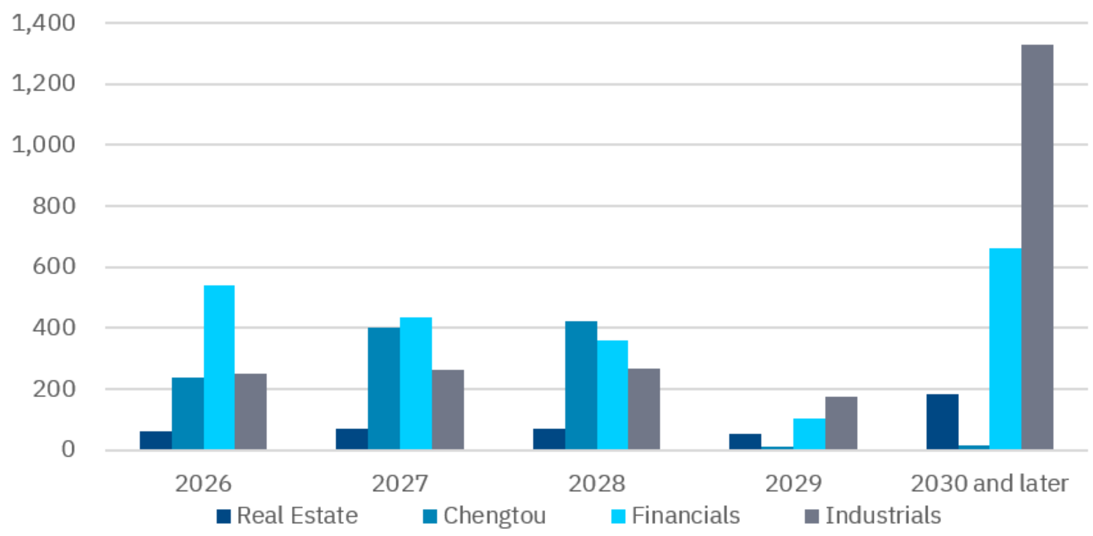
Source: CCXAP research

Investment-grade issuance expanded significantly, with financial institutions as the main investment-grade issuers. In 2026H1, a total of 83 Chinese offshore bond issuers obtained ratings from the three major international rating agencies[3], including 79 investment-grade issuers and 4 high-yield issuers. Among them, investment-grade issuers collectively raised USD46.93 billion, up 32.6% YoY. Investment-grade issuance was dominated by financial institutions, with financials, industrials, and Chengtou accounting for 65.4%, 24.6%, and 8.2% of investment-grade issuance, respectively. High-yield issuers collectively raised USD1.47 billion, down from USD2.44 billion in the same period last year, with property developers as the main issuers, accounting for 79.5% of total high-yield issuance. Regarding Chinese rating agencies, 29 issuers obtained ratings from Chinese rating agencies in 2026H1, with issuance totaling USD4.51 billion.

Outstanding Chinese offshore bonds were concentrated in industrial companies and financial institutions, with over half maturing within the next three years. As of June 30, 2026, the outstanding amount of Chinese offshore bonds totaled USD591.77 billion. Of this, maturities in 2026H2, 2027, and 2028 amounted to USD109.09 billion, USD117.10 billion, and USD111.78 billion, respectively, together accounting for 57.1% of the total outstanding amount. By sector, outstanding bonds from industrial enterprises, financial institutions, Chengtou, and property developers represented 38.7%, 35.6%, 18.4%, and 7.4% of the total, with notable differences in maturity profiles across sectors. Specifically, industrial issuers had relatively longer tenors, with maturities of USD25.08 billion, USD26.43 billion, and USD26.93 billion in 2026H2, 2027, and 2028, respectively, representing 34.2% of their total outstanding amount. Financial institutions faced a maturity peak from 2026H2 to 2028, with maturities of USD54.03 billion, USD43.67 billion, and USD35.91 billion, respectively, accounting for 63.5% of their total. Chengtou offshore bonds typically have a 3-year tenor, resulting in the most concentrated maturity profile, with maturities of USD23.74 billion, USD40.17 billion, and USD42.09 billion in 2026H2, 2027, and 2028, respectively, representing as much as 97.5% of their total outstanding amount.

[3] Based on data at the time of issuance, when ratings from the three major international agencies differed, the highest rating was used for statistical purposes.

Figure 5: Maturity distribution of existing Chinese offshore bonds as of the end of June 2026



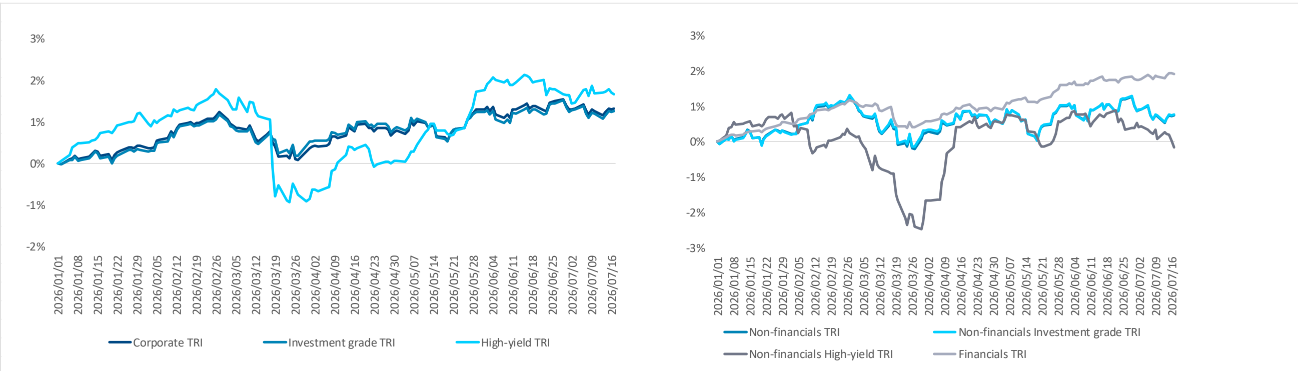
Source: CCXAP research

Secondary market

In 2026H1, the overall secondary market for Chinese offshore bonds showed a volatile and upward trend. As the yield on the secondary market of real estate dollar bonds fell sharply for a period of time, the high-yield sector first fell and then rose, and once drop to -0.94%. Later, as the risk of real estate dollar bonds stabilized in the second quarter, returns turned positive from a loss in the first quarter. As of June 30, 2026, the total return index of Chinese offshore debt was 1.32%, of which the return rate of investment-grade bonds was 1.26% and the return rate of high-yield bonds was 1.68%.

In terms of spreads, as of June 30, 2026, the spreads of Chinese offshore debt increased by 2.5bp from the beginning of the year to 112.5bp, of which the spreads of investment-grade bonds increased by 2.2bp from the beginning of the year to 46.7bp, and the spreads of high-yield bonds increased by 5.7bp to 541.1bp.

Figure 6: Performance and spread of Market iBoxx Chinese offshore bonds in 2026H1



Source: CCXAP Research

The overall rate of return on Chinese offshore debt rose slightly, with the real estate industry experiencing the most fluctuations. From the perspective of various sectors, Chengtou offshore bonds performed best, with the highest half-year return rate (2.20%), followed by the financial, real estate and non-financial sectors. In the real estate industry, as the risk of real estate bonds rose again at the beginning of the year and market uncertainty increased, Vanke's domestic bonds entered a grace period at the end of 2025, and Fitch downgraded its rating to C, triggering widespread market concerns about real estate high-yield bonds, leading to the first place in the real estate sector There was a serious decline in the quarter; then Vanke continued to promote bond extensions and asset disposals, and with the financial support of Shenzhen Railway Group, short-term debt repayment pressures were eased, leading to a periodic stabilization of the real estate sector. Investors' confidence in offshore real estate bonds increased, and there was a recovery in the second quarter. The gains in the non-financial sector were relatively modest, mainly affected by the weak recovery in overall demand.

Table 1: Sector-wise Return Rates of Chinese Offshore Bonds in 2026H1

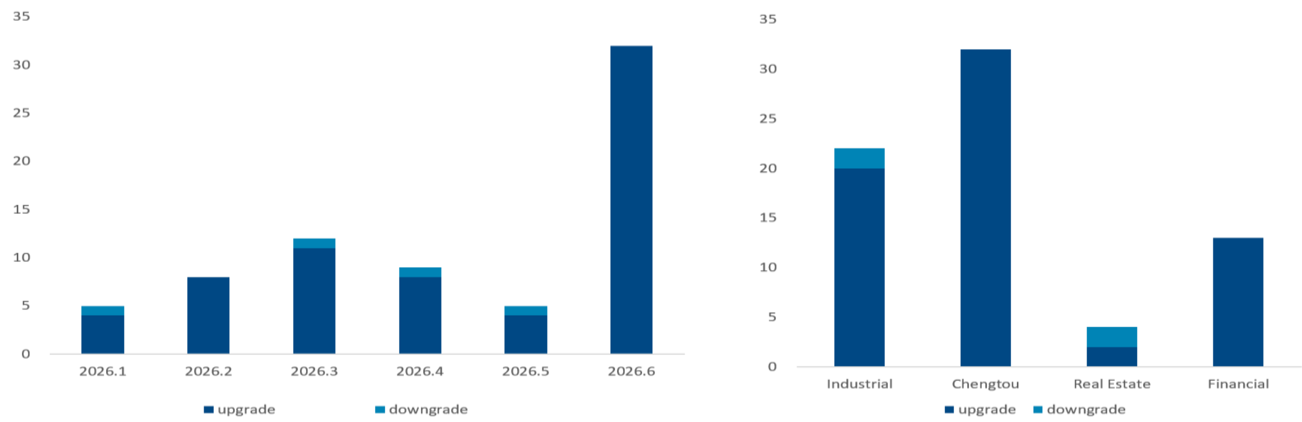
Markit iBoxx Chinese Offshore Bonds Return Index	2026Q1	2026Q2	2026H1
Real Estate TRI	-2.02%	3.57%	1.47%
-Investment grade TRI	0.66%	1.23%	1.90%
-High Yield TRI	-3.80%	4.93%	0.95%
Financial TRI	0.54%	1.23%	1.78%
-Investment grade TRI	0.81%	0.93%	1.74%
-High Yield TRI	-0.59%	2.46%	1.85%
Non-financial TRI	0.22%	0.79%	1.01%
-Investment grade TRI	0.31%	0.72%	1.03%
-High Yield TRI	-2.27%	2.71%	0.39%
Chengtou TRI	1.18%	1.01%	2.20%
-Investment grade TRI	1.13%	0.97%	2.10%
-High Yield TRI	1.75%	1.51%	3.29%

Source: CCXAP research

Rating adjustments and credit events

There was a significant decrease in negative rating actions, mainly for property issuers. In the first half of 2026, the three major international rating agencies took rating actions on 40 Chinese issuers, including 4 negative rating actions and 44 positive rating actions. Negative rating actions accounted for only 8%, compared with 61% of negative ratings in the same period last year, and the proportion of negative ratings dropped significantly. This is mainly due to the fact that the credit qualifications of central enterprises and leading enterprises have been widely recognized by international institutions, urban investment platforms have benefited from the enhanced support capabilities of local governments, and some industry leaders have been upgraded due to their solid financial performance and strategic transformation. Three of the four negative ratings occurred on real estate entities, and three real estate entities were downgraded by Fitch and Moody's on the grounds that the company's financial data were lower than expected. In addition, Meituan is the only industrial entity whose rating and outlook have been downgraded by S&P.

Figure 7: Rating actions by month and by industries in 2026H1



Data Source: CCXAP Research; Unit: Count

Regulatory developments: Deepening Policies and Expanding the Market for Offshore Bonds in Free Trade Zones in 2026 Lujiazui Forum

The Lujiazui Forum, themed "Financial Development and Cooperation under Global Governance Initiatives: New Visions, New Challenges, and New Opportunities," was held in Shanghai on June 17–18, 2026. Building upon the 2025 policy framework for developing Free Trade Zone (FTZ) offshore bonds, this forum introduced a package of institutional opening-up measures, propelling FTZ offshore bonds into a new phase of comprehensive implementation and deepened development. The People's Bank of China, the National Development and Reform Commission, the National Financial Regulatory Administration, the China Securities Regulatory Commission, the State Administration of Foreign Exchange, and the Shanghai Municipal People's Government jointly released the Action Plan for Developing Offshore Finance at the Shanghai International Financial Center, providing top-level institutional safeguards for the large-scale development of FTZ offshore bonds.

The Action Plan outlines a clear three-stage timeline: establishing an institutional system suited to offshore financial operations by the end of 2027; forming a relatively mature offshore financial institutional and legal framework by the end of 2030; and becoming a strategic hub for the high-level, coordinated development of offshore and onshore finance by the end of 2035. The plan identifies six categories of initial pilot businesses: offshore trade finance services, FTZ offshore bonds, offshore reinsurance, treasury center fund operations, offshore RMB foreign exchange trading, and financial services for non-resident individuals. It further supports Free Trade Account (FTA) sub-accounts—specifically Free Trade Units (FTUs)—in the Shanghai Pilot Free Trade Zone to invest in FTZ offshore bonds within designated quotas, thereby ensuring liquidity for their large-scale operation.

Supporting regulatory measures were implemented concurrently. During the forum, the National Financial Regulatory Administration issued the Notice on Matters Concerning the Conduct of Pudong New Area FTZ Offshore Bond Business by Commercial Banks, explicitly requiring commercial banks to focus on serving the overseas investment and financing needs of "going global" enterprises and countries and regions participating in the Belt and Road Initiative. The notice strictly defines the scope of business and risk boundaries, stipulating that only commercial banks or their branches registered in the Pudong New Area may underwrite FTZ offshore bonds, and requiring them to obtain written authorization from their head offices. At the forum, Pan Gongsheng, Governor of the People's Bank of China, announced the launch of a pilot program for offshore RMB foreign exchange trading within the Shanghai Pilot Free Trade Zone. Six banks—ICBC, ABC, BOC, CCB, BoCom, and

CITIC—were authorized to conduct such trading using the platform of the China Foreign Exchange Trade System (CFETS).

We believe the 2026 Lujiazui Forum marks a transition for Free Trade Zone (FTZ) offshore bonds from the phase of "institutional framework establishment" to a new stage of "normalized operation and scaled-up development." The release of the "Action Plan" has provided the market with a clear timetable and roadmap, while supporting policies—such as dedicated quotas for Free Trade Accounts (FTUs) and the offshore RMB forex trading pilot—have resolved institutional bottlenecks linking the investment and trading sides of the market. As more overseas subsidiaries of Chinese enterprises "going global" and high-quality companies from "Belt and Road" regions enter the market, and with the emergence of innovative products like rolling issuances and Transferable Certificates of Deposit (TCDs), FTZ offshore bonds are poised for further expansion and quality enhancement. They are set to become a vital financial innovation platform that bridges onshore and offshore markets, facilitates cross-border financing for the real economy, and drives the internationalization of the RMB.

Outlook

Looking ahead to the second half of the year, RMB financing costs are expected to remain low, boosting global investor demand for RMB-denominated assets. Coupled with the accelerated internationalization of the RMB and enhanced cross-border financing capabilities, the issuance volume of "Dim Sum bonds" is projected to grow steadily; furthermore, as relevant support measures in both the Mainland and Hong Kong are implemented, the issuer base is expected to become more diversified. On the investment side, the expansion of the "Southbound Trading" scheme—now including non-bank financial institutions such as securities firms, insurance companies, and wealth and asset management firms—is expected to diversify the investor base, fostering the long-term, stable development of the offshore bond market.

As the deadline for the complete exit of Chengtou from the government financing platform system approaches (end of June 2027), Chengtou companies find themselves in a critical phase involving both intensive debt resolution efforts and an accelerated exit process; consequently, the overall financing environment remains tight. Many of these enterprises still derive a relatively small proportion of revenue from market-oriented activities, possess limited capacity to revitalize assets or generate internal cash flow, and urgently need to improve the quality of their business transformation. Amid the reshaping of credit relationships between local governments and enterprises, the combination of weakened government support for lower-quality entities and liquidity pressures may further expose "tail risks" among Chengtou. Moving forward, close attention must be paid to the operational and liquidity risks arising from liquidity strain, insufficient asset revitalization, and poor transformation quality during the platform exit process. Since 2025, regulatory oversight of Chengtou has tightened, and the issuance volume of offshore bonds by these entities is expected to continue shrinking.

Since the beginning of the year, the ongoing tariff standoff between China and the US and escalating geopolitical tensions in the Strait of Hormuz have driven up energy and transportation costs. Domestic enterprises—particularly those engaged in processing trade, heavily reliant on exports to the US, dependent on imported raw materials and energy, or export-oriented—are facing multiple headwinds, including exchange rate volatility, shrinking market share in the US, and high energy and transportation costs. Small and medium-sized enterprises (SMEs), which generally have weaker risk resilience, may face strained capital chains, deteriorating credit profiles, and heightened short-term repayment risks. Regarding the real estate sector, supported by various policies, debt restructuring plans for multiple developers are steadily advancing toward implementation. While these restructuring efforts help alleviate short-term repayment pressures for some entities, the substantive resolution of risks ultimately depends on the actual repayment outcomes when the bonds mature. Given the substantial volume of bonds maturing or subject to put options for real estate issuers in the second half of the year—compounded by the ongoing rise in industry concentration—some developers with weaker operational capabilities may still face pressure for M&A integration or even bankruptcy liquidation.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP’s publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP’s publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Rating Co., Ltd.

Address:	Suites 1904-1909, 19/F, Jardine House, 1 Connaught Place, Central, Hong Kong
Website:	www.ccxap.com
Email:	info@ccxap.com
Telephone:	+852-2860 7111
Fax:	+852-2868 0656