

CCXAP affirms Lai'an County New Industrial Technology Investment Co., Ltd.'s long-term credit rating at BBB_{g-}, with stable outlook.

Hong Kong, 12 November 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed long-term credit rating of Lai'an County New Industrial Technology Investment Co., Ltd. (“LAIL” or the “Company”) at BBB_{g-}, with stable outlook.

The BBB_{g-} long-term credit rating of LAIL reflects the local government's (1) strong capacity to provide support; and (2) very high willingness to provide support, based on our assessment of the Company's characteristics. Our assessment of the local government's capacity to provide support reflects Lai'an County's economic importance in Chuzhou City, but constrained by its modest fiscal profile.

The rating also reflects the local government's willingness to provide support, based on the Company's (1) important position in public projects and industrial park development of Lai'an Economic Development Zone (“Lai'an EDZ”); and (2) good track record of receiving government payments. However, the rating is constrained by the Company's (1) moderate exposure to commercial activities; (2) fast debt growth driven by ongoing investments in construction projects; and (3) moderate asset quality.

Corporate Profile

Founded in 2021, the Company has developed into an important investment and construction platform in Lai'an County, especially in Lai'an County Economic Development Zone (“Lai'an EDZ”), and serves as the core operating entity responsible for infrastructure construction. It is also engaged in commercial activities such as product sales, liquefied petroleum gas sales and property sales. As of 30 June 2025, LAIL was wholly owned and ultimately controlled by the Lai'an County Finance Bureau.

Rating Rationale

Credit Strengths

Important position in public projects and industrial park development of Lai'an EDZ. LAIL is one of the most important industrial investment, industrial park development and infrastructure construction platforms in Lai'an County and Lai'an EDZ, through largely contributing to the local infrastructures and capital attraction. With the continuous industry park development and industry attraction, the Company also undertakes the responsibility of industrial park operations, including self-operating projects and talent attraction, which can contribute more revenue for LAIL and secure its leading position.

Good track record of receiving government payments. The Company has a good track record of receiving support from the local government in terms of subsidies, asset transfers, and capital injections. Given the Company's important position and its close relationship with the local government, we expect that the Company will continue to receive support from the local government.

Credit Challenges

Moderate exposure to commercial activities. LAll's commercial businesses mainly include industrial park development, industrial investment, and product sales. The Company's exposure to commercial businesses is moderate but rising as LAll is increasing its investment in self-operated projects, accounting for around 20-25% of its total assets. These activities have been a good supplement to the Company's operating revenue but would pose the Company to higher business risks that require prudent risk control.

Fast debt growth driven by ongoing investments in construction projects. Due to the ongoing financing for construction projects, the Company's total debt has been growing for the past years. The Company's total debt increased to RMB7.7 billion as of 30 June 2025 from RMB4.8 billion as of 30 June 2024, with total capitalization ratio of 38.6%. In addition, the Company's debt maturing structure is reasonable. As of 30 June 2025, its short-term debt accounted for around 19.4% of total debt. Meanwhile, after excluding restricted cash, the cash to short-term debt ratio was 0.8x.

Moderate asset quality. As of 30 June 2025, the account receivables, inventories and other receivables totally accounted for 67.0% of total assets. The total receivables mainly consist of government-related receivables, while inventories mainly consist of land assets and costs for agency construction projects, all with low liquidity. On top of that, the Company's long term equity investment, investment properties, and other equity instruments, accounted for around 6.3% of its total assets, generating supplementary income and cash flow.

Rating Outlook

The stable outlook on LAll's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its important role in the development of Lai'an County and Lai'an EDZ for the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as decrease in government payments or increase in exposure to commercial activities.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).



Regulatory Disclosures

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