
CCXAP affirms the long-term credit rating of Suzhou Urban Investment Capital Holding Co., Ltd. at A_g-, with stable outlook; affirms its senior unsecured debt rating at A_g-.

Hong Kong, 16 December 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Suzhou Urban Investment Capital Holding Co., Ltd. (“SUIC” or the “Company”) at A_g-, with stable outlook; and affirmed its senior unsecured debt rating at A_g-.

The A_g- long-term credit rating of SUIC is underpinned by the Company’s (1) stable business scale and local market position; and (2) good asset quality with relatively low-risk appetite. However, the rating is constrained by the Company’s (1) concentrated portfolio in Suzhou City and Jiangsu Province; (2) limited exit track record in equity and fund investments, with uncertain return; and (3) moderate profitability with intensive market competition.

The rating also reflects a high likelihood of support from its parent company, Suzhou Urban Construction & Investment Development (Group) Co., Ltd. (“SCID”), which is based on the Company’s (1) direct and full ownership by SCID; (2) strong strategic role as the key financial business arm of SCID; and (3) close business and financial linkages with SCID. We believe that SCID has a strong capacity to provide support given its full ownership by the Suzhou Municipal Government and good track record of receiving government support based on its strategic roles. SCID is one of the important state-owned enterprises in Suzhou City with a large asset scale of over RMB100.0 billion.

Corporate Profile

Established in 2018, SUIC is a key financial business arm of SCID and is directly and wholly owned by SCID. SUIC is mainly responsible for the integration and management of SCID’s financial business segments. It primarily engages in three different business segments namely factoring, financial leasing and investment. SUIC conducts factoring business and financial leasing business through its subsidiaries, namely, Suzhou Chengtou Commercial Factoring Co., Ltd. (“SCCF”) and Wudu Financial Leasing (Tianjin) Co., Ltd. (“WDFL”), respectively. As of 30 September 2025, the Company reported total assets of RMB11.8 billion and net assets of RMB3.1 billion.

SCID is one of the major local infrastructure investment and financing companies (“LIIFCs”) in Suzhou City and is directly owned and controlled by the State-owned Assets Supervision and Administration Commission of Suzhou Municipal Government (“Suzhou SASAC”). SCID has a very strong position in local infrastructure construction and the supply of gas and water in Suzhou City. Its business segments include gas and water supply, infrastructure construction, property leasing, real estate development, guarding services and financial services. As of 30 September 2025, SCID reported total assets of RMB136.1 billion and net assets of RMB67.1 billion, ranking third by total assets among LIIFCs in Suzhou City.

Rating Rationale

Credit Strengths

High likelihood of shareholder support as the financial business arm of SCID. As the primary operating subsidiary in financial operations, SUIC has an important position in SCID's operations. It has generated a decent profit for SCID over the past years. The Company also has a good track record of receiving support from its shareholders in the form of capital injections, project offerings and referrals. In addition, SCID provides direct funding to SUIC at a low cost and provides guarantees on SUIC's bank borrowing. We expect the Company to retain medium legal and operational linkages with SCID and a high likelihood of shareholder support when necessary.

Stable business scale and local market position despite policy-driven moderation in factoring and leasing business expansion. SUIC is a key financial business arm of SCID that follows SCID's development strategy under the supervision of Suzhou Municipal Government. SUIC integrates SCID's financial business resources and mainly engages in factoring, financial leasing and investment businesses. SUIC's entrenched local franchise, supported by its parent and the government, will help maintain business stability in the near term.

Good asset quality with a relatively low risk appetite. SUIC has a relatively low-risk appetite and targets clients mainly in state-owned enterprises, large-size construction companies, and companies that are engaged in infrastructure construction projects. SUIC is also required by SCID to strictly control its non-performing asset level to zero and it has not incurred any non-performing asset since its establishment, as of 30 September 2025.

Low-cost and stable funding supported by SCID. SUIC's funding channels are further diversified and mainly include bank loans, debt capital market and lending from SCID, its parent, and SCID's subsidiaries. SCID provides relatively low-cost shareholder lending to SUIC according to the Company's operating plan at the beginning of every year. As of 30 September 2025, the Company's lending from SCID and SCID's subsidiaries was around RMB1.0 billion, accounting for approximately 12.5% of its total debt. As of the same date, the majority of the Company's guarantee borrowing was guaranteed by SCID which has a good credit profile.

Credit Challenges

Limited exit track record in equity and fund investments, with uncertain return. SUIC participates in fund and equity investment. The Company mostly invests in the sectors of new materials, advanced manufacturing, modern health and industrial park projects. However, SUIC still has a relatively limited exist record. As of 30 September 2025, there were three funds at the exit phase and are expected to generate a certain level of investment returns, while volatility in equity market and the slower process of China's IPO market may also adversely influence the process of SUIC's return realization.

Moderate profitability with intensive market competition. SUIC profitability remains moderate, as evidenced by the return on average equity ratio consistently below 10%. The profitability continues to be constrained by intensive market competition and narrowing spreads in both the factoring and leasing segments. In 2024, its net profit increased by 29.9% YoY to RMB250.1 million, and the return on average equity ratio of the Company remained at a moderate level of 8.7% in 2024, slightly increasing from 7.2% in 2023.

Rating Outlook

The stable outlook on SUIC's rating reflects our expectation that the Company will maintain its strategic role in the financial business under SCID and will retain its financial and operational strength over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the likelihood of shareholder support increases for SUIC such as stronger strategic position or legal and operational linkages with its parent company; or (2) the Company's business scale, asset quality and profitability materially improve.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of shareholder support decreases for SUIC such as weakening strategic position or legal and operational linkages with its parent company; (2) there is a material decline in the Company's asset quality, as seen by surging problem assets or impairment losses; or (3) the Company's profitability decreases significantly.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [Finance Companies \(April 2019\)](#).

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