

CCXAP assigns first-time long-term credit rating of BBB_g to Dongtai Chengxing Investment Development Co., Ltd., with stable outlook.

Hong Kong, 17 December 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned first-time long-term credit rating of BBB_g to Dongtai Chengxing Investment Development Co., Ltd. (“DTCX” or the “Company”), with stable outlook. At the same time, CCXAP has assigned a senior unsecured debt rating of BBB_g to the proposed offshore bonds to be issued by the Company.

The BBB_g long-term credit rating of DTCX reflects (1) the Dongtai City Government’s strong capacity to provide support; and (2) the local government’s very high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Dongtai City Government’s capacity to provide support reflects Dongtai City’s status as one of the 2025 CCID Top 100 Counties in China and its economic and fiscal strength ranks top among all districts and counties in Yancheng City with good growth momentum.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) role as a key infrastructure entity in the Dongtai High-Tech Industrial Development Zone (“Dongtai HIDZ”); and (2) established track record of receiving government support in the form of capital injections, asset transfers, and fiscal subsidies. However, the rating is constrained by the Company’s (1) increasing debt burden with certain near-term refinancing needs; (2) moderate liquid asset profile; and (3) relatively high reliance on non-standard financing instruments.

Corporate Profile

DTCX was established in 2015 by the Dongtai City Extra-Budgetary Funds Settlement Center (“Dongtai EBFS”, which is also known as Dongtai City State-owned Assets Management Center) and is one of the key local investment and financing entities in Dongtai City. In 2021, Dongtai EBFS transferred its 40.0% equity shares in the Company to Dongtai Urban Construction Investment Development Group Company Limited (“DTUC”). In 2022, Dongtai EBFS and DTUC transferred their equity shares in the Company to Dongtai Guolian Holding Co., Ltd. (“DTGL”). As of 30 September 2025, the Company was wholly owned by DTGL with ultimate control by Dongtai EBFS.

The Company is primarily responsible for the investment and construction within the Dongtai HIDZ, a provincial-level high-tech industrial development zone in Dongtai City. Its shareholder, DTGL, is the core infrastructure construction and state-owned assets operation entity in Dongtai City, especially in Dongtai Coastal Economic Zone (“Dongtai CAZ”), Dongtai HIDZ, and Huanghai National Forest Park.

Rating Rationale

Credit Strengths

Major entity responsible for the construction in the Dongtai HIDZ. DTCX is the major developer responsible for the construction projects within the Dongtai HIDZ. DTCX and its subsidiaries are primarily responsible for entrusted construction projects within the Dongtai HIDZ, including the regional investment and construction and demolition works. As a key investment and financing entity in the area, DTCX is anticipated to maintain business continuity moving forward.

Good track record of receiving government support. DTCX has a good track record of receiving support from the local government in various forms such as capital injections, asset injections and government subsidies to support its operation. Meanwhile, the Company also holds a sizable portfolio of construction costs for entrusted construction projects pending settlement. We expect that the Company will maintain its strategically important position in project construction in Dongtai City, and the local government will continue to support its development when necessary.

Credit Challenges

Increasing debt burden with certain short-term pressure. DTCX's debt burden has kept increasing during the past three years, driven by debt-funded business expansion and ongoing construction project investments. Meanwhile, the Company had certain short-term debt burden. Considering its continued external financing needs for project construction and its reliance on refinancing to meet debt obligations, we expect the Company's debt and leverage level will continue to increase in the next 12 to 18 months.

High reliance on non-standard financing products. The Company's exposure to non-standard financing products was relatively high, accounting for more than 40.0% of the total debt as of end-2024. Such financing typically carries higher interest costs or shorter tenors compared with standard bank loans, which could put pressure on its refinancing burden and flexibility especially under the evolving and relatively stringent regulatory environment for non-standard financing products at the local government level.

Rating Outlook

The stable outlook on DTCX's rating reflects our expectation that Dongtai City Government's capacity to provide support will remain stable, and the Company will maintain its important position in Dongtai City over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's ability to provide support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as improved regional importance, improved asset liquidity and improved funding channels.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's ability to provide support weakens; or (2) the Company's characteristics change in a way that decreases the local government's willingness to provide support, such as reduced regional significance, weakened financing ability or material deterioration in contingent risks.

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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http://www.ccxap.com/en/rating_services/category/6/

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