

## **CCXAP upgrades Wuhan Optics Valley Industrial Investment Co., Ltd.'s long-term credit rating to A<sub>g</sub>, with stable outlook.**

Hong Kong, 29 April 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has upgraded the long-term credit rating of Wuhan Optics Valley Industrial Investment Co., Ltd. (“OVII” or the “Company”) to A<sub>g</sub> from A<sub>g-</sub>, reflecting the Company’s strengthened capital position benefited from the continued support from the local government and its parent, Hubei Science & Technology Investment Group Co., Ltd. (“HSTI”). Meanwhile, the sustained growth of Wuhan East Lake New Technology Development Zone (“East Lake NTDZ”) further underpinned the Company’s business and credit profile. At the same time, CCXAP has upgraded the Company’s senior unsecured debt rating to A<sub>g</sub>.

The A<sub>g</sub> long-term credit rating of OVII is underpinned by the Company’s (1) investment portfolio in line with the industrial development planning of East Lake NTDZ; and (2) access to funding from banks and bond market. However, the rating is constrained by the Company’s (1) moderately high investment concentration and relatively weak asset liquidity; and (2) weak profitability and modest debt-servicing ability.

The rating also reflects a high likelihood of support from the local government and its parent HSTI when needed, which is based on the Company’s (1) full ownership by HSTI and ultimate control by the Management Committee of East Lake NTDZ; (2) significance in promoting the development of strategic emerging industries in the East Lake NTDZ; and (3) solid track record of receiving support from the local government and HSTI, including capital injections and loan guarantees.

### **Corporate Profile**

Established in 2016, OVII is a wholly-owned subsidiary of HSTI, the primary infrastructure construction and industrial investment entity of East Lake NTDZ. The Company operates as the core platform responsible for HSTI’s industrial investment business. Leveraging on HSTI’s extensive resources, the Company mainly invests in the strategic emerging industries of East Lake NTDZ through direct equity investment and fund investment. As of 30 September 2025, OVII was ultimately controlled by the Management Committee of East Lake NTDZ.

### **Rating Rationale**

#### **Credit Strengths**

**Investment portfolio aligned with the industrial development planning of East Lake NTDZ, with access to quality investment opportunities.** As the most important industrial investment platform under HSTI, the Company focuses on investments in strategic emerging industries aligned with the East Lake NTDZ’s industrial development planning through direct equity investments and fund investment, with good investment management system. Meanwhile, sustained industrial upgrading and development in East Lake NTDZ have fostered a sound external environment for the Company’s growth, enabling it to access abundant high-quality investment opportunities and a favorable investment landscape.



**Access to funding from banks and bond market.** The Company benefits from diversified funding channels, including bank borrowings and debt capital markets. It maintains a good relationship with diversified domestic commercial banks. In addition, the Company has established ongoing access to onshore and offshore debt markets. Such diversified funding access supports the Company's financing flexibility and mitigates refinancing risks.

**High likelihood of support from the local government and its controlling shareholder.** HSTI is the most important infrastructure construction, industrial park construction, and industrial investment entity in the East Lake NTDZ, with strong support from the local government. The Company's ownership structure and business operations are closely aligned with the East Lake NTDZ Management Committee's and the region's future development direction. OVII receives solid support from HSTI and the local government, given its strategic and economic importance in industrial investment in East Lake NTDZ.

### Credit Challenges

**Concentrated investment portfolio with relatively low liquidity.** The Company's investment concentration is moderately high, with top three investments accounting for above 50% of investment portfolio and the underlying investment assets are concentrated in Wuhan City. Moreover, after the transfer of Yangtze Memory, the Company has a high concentration of industrial investment in the semiconductor sector, and most of its projects are in the investment period with relatively low liquidity.

**Weak and volatile profitability.** At the consolidated level, the Company's operating revenue is mainly generated from trading, leasing, project services, and artificial intelligence computing product lines from the subsidiaries, while its profits are mainly derived from investment income and gains from changes in fair value, though both revenue and profit remain modest in scale. At the holding company level, the main sources of profit are gains and losses from changes in fair value and investment income arising from external investments. In recent years, its financial expenses have increased steadily along with growing debt scale. As a result, the Company demonstrates relatively weak profitability at the holding company level.

**Increasing debt burden.** Owing to business expansion, OVII's debt burden kept increasing in 2025, with debt primarily concentrated at the holding company level. The Company's total debt at the holding company level increased from RMB9.1 billion at end-2024 to RMB14.6 billion at end-2025Q3. Meanwhile, the Company's total capitalization ratio dropped from 44.2% to 39.5%, primarily driven by the growth in capital. Considering its ongoing investments, we expect the Company's debt burden will continue to increase in the foreseeable future.

### Rating Outlook

The stable outlook on OVII's rating reflects our expectation that the Company will continue to receive solid support from the local government and its controlling shareholder. We also expect the Company to maintain a stable and prudent investment strategy over the next 12 to 18 months.

**What could upgrade the rating?**

The rating could be upgraded if (1) the likelihood of support from the local government and its controlling shareholder increases; (2) the quality of the Company's investment portfolio materially improves, such as having a higher level of asset liquidity and generating better recurring cash flow from investees; or (3) the Company's credit metrics improve, for example, lower debt leverage and higher profitability.

**What could downgrade the rating?**

The rating could be downgraded if (1) the likelihood of support from the local government and its controlling shareholder decreases; (2) the performance of the Company's investment portfolio materially deteriorates; or (3) the Company shows weakened access to funding and eroded liquidity profile.

**Rating Methodology**

The methodology used in this rating is the Rating Methodology for [Investment Holding Companies \(December 2016\)](#).

**Regulatory Disclosures**

CCXAP's Rating Symbols and Definitions are available on its website at:

[http://www.ccxap.com/en/rating\\_services/category/6/](http://www.ccxap.com/en/rating_services/category/6/)

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

[http://www.ccxap.com/en/rating\\_services/category/9/](http://www.ccxap.com/en/rating_services/category/9/)

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at [www.ccxap.com](http://www.ccxap.com) (Rating Results) and may be distributed through media and other means.

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Amy Chen  
*Credit Analyst*



+852-2860 7127

[amy\\_chen@ccxap.com](mailto:amy_chen@ccxap.com)

Elle Hu

*Executive Director of Credit Ratings*

+852-2860 7120

[elle\\_hu@ccxap.com](mailto:elle_hu@ccxap.com)

Client Services: +852-2860 7111



Copyright © 2026 China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

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 Ratings Company Limited**

Address: Suites 1904-1909, 19/F, Jardine House,  
1 Connaught Place, Central, Hong Kong

Website: [www.ccxap.com](http://www.ccxap.com)

Email: [info@ccxap.com](mailto:info@ccxap.com)

Tel: +852-2860 7111

Fax: +852-2868 0656