CCXAP affirms Dongtai Chengxing Investment Development Co., Ltd.'s long-term credit rating at BBB_g, with stable outlook.

Hong Kong, 27 November 2026 -- China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed the long-term credit rating of Dongtai Chengxing Investment Development Co., Ltd. ("DTCX" or the "Company") at BBB_g, with stable outlook. At the same time, CCXAP has affirmed DTCX's senior unsecured debt rating (guaranteed) at BBB_g+. The bonds (ISIN: XS3276994236) are unconditionally and irrevocably guaranteed by Dongtai Urban Construction Investment Development Group Co., Ltd. ("DTUC").

The BBB_g long-term credit rating of DTCX reflects (1) 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 2026 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) certain short-term debt burden and moderate liquid asset profile; (2) relatively high reliance on non-standard financing instruments; and (3) moderate exposure to external guarantees.

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 June 2026, the Company was wholly owned by DTGL with ultimate control retained 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"), Dontai 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.

Relatively low commercial risk exposure. DTCX's commercial activities mainly comprise asset leasing, which represents a stable and material revenue stream with relatively low commercial risk, as the lessees are state-owned entities.

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. 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

Certain short-term debt burden and moderate liquid asset profile. DTCX's short-term debt accounted for 48.8% of total debt and the cash-to-short-term-debt ratio stood at 0.3x as of 30 June 2026. Considering the external financing needs from its construction projects and its reliance on refinancing, we expect funding pressure to persist over the next 12 to 18 months. DTCX's asset liquidity is moderate, as its assets are dominated by inventories, fixed assets and long-term equity investments, whose liquidity is constrained by prolonged collection and project settlement cycles.

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 30 June 2026. 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.

Moderate exposure to external guarantees. DTCX's credit profile is constrained by its external guarantees, which could potentially increase its repayment obligations. As of 30 June 2026, external guarantees amounted to RMB4.2 billion, equivalent to 42.0% of total equity, and all guaranteed entities were local state-owned enterprises. If guaranteed borrowers experience credit events, DTCX could face payment obligations under its guarantees.

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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