

## Credit Opinion

6 November 2025

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB <sub>g</sub>
Outlook	Stable

### Analyst Contacts

Iris Chen +852-2860 7132

Credit Analyst

[iris\\_chen@ccxap.com](mailto:iris_chen@ccxap.com)

Karissa Du +852-2860 7126

Credit Analyst

[karissa\\_du@ccxap.com](mailto:karissa_du@ccxap.com)

Elle Hu +852-2860 7120

Executive Director of Credit Ratings

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

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

### Client Services

Hong Kong +852-2860 7111

## Chuzhou Economic and Technological Development General Corporation

### Surveillance credit rating report

**CCXAP affirms Chuzhou Economic and Technological Development General Corporation's long-term credit rating at BBB<sub>g</sub>, with stable outlook.**

### Summary

The BBB<sub>g</sub> long-term credit rating of Chuzhou Economic and Technological Development General Corporation ("CETD" or the "Company") reflects the local government's (1) strong capacity to provide support; and (2) extremely 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 the status of Chuzhou Economic and Technological Development Zone ("Chuzhou ETDZ") as a national-level ETDZ with improving economic strength and favorable fiscal conditions.

The rating also reflects the local government's willingness to provide support, based on the Company's (1) pivotal role as primary entity for infrastructure construction and state-owned asset operation in Chuzhou ETDZ; (2) good track record of receiving government payments; and (3) good access to funding from banks and the bond market.

However, the rating is constrained by the Company's (1) moderate exposure to commercial activities; (2) relatively high debt burden and short-term debt repayment pressure; and (3) modest asset quality.

The stable outlook on CETD'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 Chuzhou ETDZ over the next 12 to 18 months.

## Rating Drivers

- Pivotal role as primary entity for infrastructure construction and state-owned asset operation in Chuzhou ETDZ
- Good track record of receiving government support
- Moderate exposure to commercial activities
- Relatively high debt burden and short-term debt repayment pressure
- Modest asset quality
- Good access to funding from banks and the bond market

## Rating Sensitivities

### 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 a decrease in government payments or an increase in exposure to commercial activities.

## Key Indicators

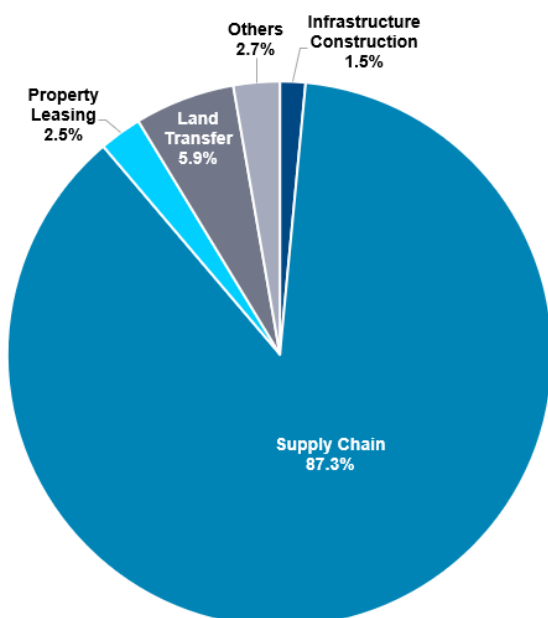
	2022FY	2023FY	2024FY	2025H1
Total Asset (RMB billion)	50.3	54.2	56.8	55.5
Total Equity (RMB billion)	14.1	16.7	19.6	18.7
Total Revenue (RMB billion)	11.7	13.0	11.2	2.5
Total Debt/Total Capital (%)	66.6	63.8	59.5	59.4

All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

## Corporate Profile

Founded in 1993, CETD is wholly owned and ultimately controlled by the Management Committee of Chuzhou ETDZ. The Company is the most important local infrastructure investment and financing company ("LIIFC") in Chuzhou ETDZ, responsible for the local public policy activities such as infrastructure construction and primary land development. It is also engaged in commercial activities such as supply chain, property leasing, and industrial investment businesses.

**Exhibit 1. Revenue structure in 2024**

Source: Company information, CCXAP research

## Rating Considerations

### Government's Capacity to Provide Support

We believe that the local government has a strong capacity to provide support given its status as a national-level ETDZ with improving economic strength and favorable fiscal conditions.

Anhui Province, located in the central-eastern part of China, is one of the core members of the Yangtze River Delta Urban Agglomeration and a key national comprehensive transportation hub. It is led by strategic emerging industries such as new energy vehicles, new display and integrated circuits, supported by traditional manufacturing bases in home appliances, steel, and building materials, with coordinated development of modern agriculture and cultural and tourism industries. Anhui Province's economy grew steadily in 2024, with its gross regional product ("GRP") increasing from RMB4,705.1 billion in 2023 to RMB5,062.5 billion, ranking 11<sup>th</sup> among all provinces in China with a year-on-year ("YoY") growth of 5.8%. Meanwhile, its general budget revenue reached RMB404.2 billion, maintaining a three-year average tax revenue ratio of 64.3%, demonstrating good fiscal stability. In addition, Anhui Province has a relatively heavy debt burden, which reached RMB1,852.7 billion in 2024, accounting for 36.6% of its GRP.

Located in the eastern part of Anhui Province, Chuzhou City serves as a central city in both the Nanjing Metropolitan Circle and the Hefei Economic Circle. It possesses robust economic and fiscal strength, having developed an industrial system centered on smart home appliances, advanced equipment manufacturing, photovoltaic new energy, and green food, while taking semiconductors and new energy vehicles as emerging growth drivers. Furthermore, as one of the regions with the richest mineral resources in Anhui Province, Chuzhou City has 39 proven mineral types and 134 mineral deposits/sites, whose reserves hold a significant position in East China and even across China. In 2024, Chuzhou City's GRP increased from RMB378.2 billion in 2023 to RMB403.4 billion, representing a YoY growth rate of 5.5%, ranking third among all prefecture-level cities in Anhui Province, with its growth rate outpacing the national and provincial average levels. In the first half of 2025, its GRP amounted to RMB212.5 billion, up 5.3% YoY. Chuzhou City also boasts strong fiscal strength. In 2024, its general budgetary revenue rose from RMB29.8 billion in 2023 to RMB30.7 billion, with tax revenue

accounting for 54.4%. The fiscal balance of the Chuzhou Municipal Government is generally moderate, with the ratio of general budgetary revenue to general budgetary expenditure standing at 53.0% in 2024. However, the debt profile of the Chuzhou Municipal Government is relatively weak. As of 31 December 2024, its government debt balance reached RMB148.7 billion, accounting for 36.9% of its GRP and 186.5% of its total fiscal revenue.

### Exhibit 2. Key economic and fiscal indicators of Chuzhou City

	2022FY	2023FY	2024FY
GRP (RMB billion)	361.0	378.2	403.4
GRP Growth (%)	5.5	6.4	5.5
General Budgetary Revenue (RMB billion)	27.7	29.8	30.7
General Budgetary Expenditure (RMB billion)	50.6	53.4	57.9
Local Government Debt (RMB billion)	105.9	129.0	148.7

Source: Chuzhou Municipal Government, CCXAP research

Founded in 1992 and upgraded to a national-level ETDZ in 2011, Chuzhou ETDZ is situated in the core area of southern Chuzhou City. Anchored in the real economy, it has developed four leading industries, namely smart home appliances and electronic information, advanced equipment manufacturing, green food, and photovoltaic new energy, which accounted for over 95.0% of the zone's total industrial output value in 2024. In the 2024 Comprehensive Development Level Assessment of National-Level ETDZs conducted by the Ministry of Commerce, Chuzhou ETDZ has remained one of the top 50 national-level ETDZs across China for three consecutive years. In recent years, as the core engine for Chuzhou City's industrial development, it has achieved notable breakthroughs in industrial upgrading, investment growth, and fiscal contribution in 2024, with its comprehensive strength continuing to rise. In 2024, Chuzhou ETDZ achieved a GRP of RMB48.1 billion, representing a YoY growth of 5.6%, while the value added of industrial enterprises above designated size in the zone grew by 8% YoY. During the same period, the fixed assets investment increased by 7.5% YoY. In terms of fiscal strength, Chuzhou ETDZ's general budgetary revenue increased slightly to RMB5.5 billion, with the proportion of tax revenue slightly increasing to 93.9% in 2024. Meanwhile, affected by fluctuations in land market-related policies, the government fund budget revenue of Chuzhou ETDZ rebounded slightly in 2024. Overall, government fund revenue still provides a certain degree of supplement to the zone's comprehensive fiscal strength. In addition, Chuzhou ETDZ's fiscal balance ratio (general budgetary revenue/general budgetary expenditure) remains at a relatively high level of 107.8%, reflecting strong fiscal self-sufficiency capacity. Regarding the refinancing environment, its government debt balance has maintained a steady upward trend, reaching RMB4.2 billion as of 31 December 2024.

### Exhibit 3. Key Economic and Fiscal Indicators of Chuzhou ETDZ

	2022FY	2023FY	2024FY
GRP (RMB billion)	47.1	48.1	48.1
GRP Growth (%)	7.9	7.0	5.6
General Budgetary Revenue (RMB billion)	5.5	5.5	5.5
General Budgetary Expenditure (RMB billion)	5.5	4.5	5.1
Local Government Debt (RMB billion)	3.7	3.7	4.2

Source: Chuzhou ETDZ Government, Company information, CCXAP research

## Government's Willingness to Provide Support

### Pivotal role as primary entity for infrastructure construction and state-owned asset operations in Chuzhou ETDZ

As the key infrastructure construction and state-owned asset operation entity in Chuzhou ETDZ, CETD plays a significant role in public policy-related businesses. It undertakes numerous infrastructure construction projects including resettlement housing development, municipal road construction, and land transfer activities in Chuzhou ETDZ. The Company maintains strong regional franchise advantages and has made substantial contributions to local socioeconomic development, facilitating investment attraction and enhancing industrial chain development in Chuzhou ETDZ. However, the Company has a relatively limited reserve of ongoing and planned projects, resulting in moderate business sustainability, while the collection of payments and government subsidies is uncertain. Given its pivotal position in regional development, we believe CETD will unlikely to be replaced by other local state-owned enterprises for the foreseeable future.

CETD undertakes a relatively large number of infrastructure construction tasks in Chuzhou ETDZ through the agent construction model, including resettlement housing, municipal roads, and road supporting facilities, mainly concentrated in the core area of Chuzhou ETDZ. However, the slow fund collection progress for the completed projects has led to certain capital occupation. As of 30 June 2025, the total investment in the completed projects amounted to RMB4.6 billion, with the total planned fund collection amount of RMB5.1 billion, and the uncollected amount of RMB2.8 billion, accounting for 54.9% of total planned fund collection amount. Meanwhile, the Company's reserve of infrastructure construction projects is moderate, and its business scale has declined year by year. As of 30 June 2025, the total planned investment of the Company's 5 ongoing and planned projects was RMB1.0 billion, with an uninvested amount of RMB801.0 million, mainly consisting of resettlement housing and road projects in Chuzhou ETDZ.

CETD is engaged in both land acquisition and transfer businesses. It maintains a certain scale of land asset reserves, supporting the sustainability of its future business. As of 30 June 2025, it held 24 land parcels totaling a book value of RMB4.5 billion. However, land transfer revenue has shown a downward trend in recent years due to fluctuating market demand and Chuzhou ETDZ Government's practice of reclaiming land assets. The local government has provided subsidies to compensate CETD for financing costs and land use taxes during the holding period, which amounted RMB252.2 million in 2023 and RMB239.8 million in 2024. Overall, uncertainty exists in this business as it is subject to the local government's policy and the land market conditions, resulting in relatively weak stability in this business.

### **Moderate exposure to commercial activities**

The Company's commercial activities include supply chain, property leasing such as equipment and vehicles, sales of plant, loan services, industrial investment and self-operated projects construction. We estimate that the Company's commercial exposure is moderate with the assets of commercial activities accounting for 25%-30% of its total assets. Although, the commercial activities can provide supplementary income to the Company. They also bring certain capital expenditure pressure at the same time.

CETD's supply chain business involves providing supply chain and trade services to industrial enterprises and state-owned enterprises within Chuzhou ETDZ. The main traded products include electrolytic copper, coal, timber, and rare earth metals. Although this business has remained the Company's largest revenue source, accounting for 87.3% of its total revenue in 2024, the total revenue of supply chain business fell by 13.6% YoY to RMB9.8 billion, with a low gross margin of 0.3% in 2024, due to competitive market conditions. Additionally, both supplier and customer concentrations are within reasonable levels, with all major counterparts being large-scale or state-owned enterprises with sound market reputations. In 2024, procurement from the top five suppliers accounted for 32.4% of total purchasing, while sales to the top five customers represented 36.0% of total sales.

CETD conducts its leasing business by renting out its self-operated properties or facilities to generate income, including factories, buildings, and facade shops within Chuzhou ETDZ. In 2024, the business's revenue reached RMB282.5 million, up 38.2% YoY, with a gross profit margin of 53.0%, providing supplementary income to the Company but constrained by its small scale. Additionally, the Company is engaged in the construction of self-operated industrial parks and standardized factories. As of 31 March 2025, the Company had 9 ongoing self-operated projects, with a total planned investment of RMB8.2 billion and an uninvested amount of RMB2.8 billion. The Company also had 1 self-operated project under planning with a total planned investment of RMB1.0 billion, indicating certain capital expenditure pressure. The funds for these projects are all from self-raised sources, and after the completion of these projects, the Company will mainly achieve fund balancing through operational income, such as rental income from factories and related assets, as well as photovoltaic power generation revenue.

CETD supports local enterprises in strategic emerging sectors such as new materials, new energy vehicle manufacturing, new display technologies, and biomedicine within Chuzhou ETDZ through equity investments and fund investments, providing supplementary contributions to its profitability. For equity investments, as of 30 June 2025, the Company had 19 equity investment projects, with a total investment amount of RMB1.7 billion. Regarding fund investment, the Company acts as a limited partner ("LP") and conducts fund investment in collaboration with other state-owned enterprises at the provincial, municipal, and Chuzhou ETDZ level. As of 30 June 2025, the Company had invested in 16 industrial funds, with a total contributed amount of RMB4.6 billion, and uncontributed amount of RMB2.2 billion. In addition, the Company provides loans to enterprises in Chuzhou ETDZ through direct loans and entrusted loans to earn interest income. However, factors such as macroeconomic fluctuations and changes in industrial policies have a significant impact on the progress of fund capital contribution, project exits, and investment returns. In 2024, the Company's investment revenue showed a significant growth, reaching RMB319.0 million, up 113.9% YoY, which was mainly generated from the disposal of a portion of equity interests in CHOT.

In addition, CETD's fund lending and entrusted loans businesses gains interest income from intercompany receivables and entrusted loans providing supplementary contributions to operating revenue.

### **Good track record of receiving government support**

As a key entity for infrastructure construction, investment and financing in Chuzhou ETDZ, CETD holds a pivotal position and has maintained a strong track record in receiving local government support, including fiscal subsidies, capital injections and special bond funds. In 2024 and 2025H1, the Company received a total of RMB1.0 billion in government subsidies, which included a payment of RMB0.2 billion from Management Committee of Chuzhou ETDZ as compensation for land transfer activities. During the same period, the Company also received RMB73.0 million in special bond funds for shantytown renovation and project construction funds. Furthermore, in 2024, Management Committee of Chuzhou ETDZ injected assets worth RMB2.4 billion from the Original Science and Technology City PPP Project into the Company's subsidiary, significantly enhancing its capital strength. Given the Company's essential role and its close relationship with the local government, we expect continued support from regional authorities in the foreseeable future.

### **Relatively high debt burden and short-term debt repayment pressure**

Owing to its downsizing in the construction of public-policy projects, CETD's debt leverage has declined with moderate fluctuations in total debt. As of 30 June 2025, the Company's total debt decreased slightly to RMB27.4 billion from RMB29.4 billion at the end of 2023. In addition, its capitalization ratio slightly declined from 63.8% to 59.4%, remaining at a relatively high level. Furthermore, the Company faces high short-term debt repayment



pressure. As of 30 June 2025, its short-term debt amounted to RMB13.5 billion, representing 49.3% of total debt. Meanwhile, after excluding restricted cash, the cash to short-term debt ratio was merely 0.2x, indicating that its cash reserves are insufficient to fully cover short-term debt. Given the Company's capital expenditure needs of its construction projects and business development, we expect that its debt leverage will remain at a relatively high level within the next 12 to 18 months.

### **Modest asset quality**

CETD's asset quality is moderate, characterized by weak asset liquidity but stable profitability. As of 30 June 2025, the Company's total assets mainly consisted of receivables, inventories, and investment properties, representing 74.7% of the total assets. Receivables mainly consist of government-related receivables, inventories primarily consist of land assets and costs associated with agency construction projects, and investment properties are mainly comprised of factory construction projects intended for lease or sale, all with low liquidity. However, the Company's land assets and operational properties can generate stable income. Additionally, long-term equity investments and other non-current financial assets, primarily derived from equity and fund investments, accounted for 8.9% of total assets, providing supplementary income and cash flow. Overall, we expect the Company's liquidity risk to be manageable, given its stable profitability.

### **Good access to funding from banks and the bond market**

CETD has good access to financing channels, mainly including bank loans and bond financing, accounting for 26.6% and 59.3% of total debts respectively as of 30 June 2025. The Company maintains solid cooperation with multiple commercial banks and has sufficient standby liquidity. As of 30 June 2025, the Company had obtained a total credit facilities of RMB28.1 billion, of which RMB18.8 billion had been unused, accounting for 67.0% of the total credit facilities. Moreover, the Company's current bond financing channels are relatively smooth. From January 2024 to August 2025, the Company and its subsidiaries raised RMB8.3 billion in the onshore debt market by issuing various types of bonds, including corporate bonds, MTNs, CPs, and PPNs. Also, in 2023, the Company issued 2 tranches of three-year offshore bonds to raise RMB960 million, further diversifying its financing channels. Furthermore, the Company's exposure to non-standard financing, mainly including financial leasing and debt financing, is manageable, accounting for 12.2% of total debts as of 30 June 2025.

## **ESG Considerations**

The Company is exposed to environmental risks due to undertaking infrastructure construction and relocation housing projects. Such risks could be mitigated by conducting environmental studies and planning prior to the start of the projects, and close monitoring during the construction phase. It is subject to environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by governmental authorities in the PRC. In 2019, Tongchuang issued a non-public green corporate bond in the onshore market.

In terms of social awareness, the Company has played a crucial role in the social welfare of Chuzhou by undertaking relocation housing and municipal road construction projects.

In terms of corporate governance, the Company has established an effective internal control system, and regularly organizes annual training for its employees to ensure that the internal control system for its infrastructure construction business, supply chain, leasing businesses and other operational activities is effective. The Company is subject to monitoring and reporting requirements of the Chuzhou ETDZ Management

Committee, which has overall control and oversight of the Company's operations. It implements the general manager responsibility system and does not have a board of directors or a board of supervisors. The general manager is responsible for the operation and management of the Company.

## Rating Methodology

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



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**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