

Credit Opinion

29 October 2026

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB _g +
Outlook	Stable

Analyst Contacts

Amy Chen +852-2860 7127

Senior Credit Analyst

amy_chen@ccxap.com

Meng Cheng +852-2860 7126

Assistant Credit Analyst

meng_cheng@ccxap.com

Elle Hu +852-2860 7120

Executive Director of Credit Ratings

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 upgrades Chuzhou Economic and Technological Development General Corporation's long-term credit rating to BBB_g+, with stable outlook.

Summary

CCXAP has upgraded the long-term credit rating of Chuzhou Economic and Technological Development General Corporation ("CETD" or the "Company") to BBB_g+, from BBB_g, reflecting the reduction in its debt burden supported by continued debt resolution funds from the local government, together with evidence of the Company's strategic importance to Chuzhou Economic and Technological Development Zone ("Chuzhou ETDZ").

The BBB_g long-term credit rating of CETD reflects the local government's (1) very strong capacity to provide support; and (2) very 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 continued improvement in Chuzhou City's economic and fiscal strength and its pronounced locational advantages. Chuzhou ETDZ is a national-level ETDZ with sound industrial layout and improving economic strength.

The rating also reflects the local government's willingness to provide support, based on the Company's (1) pivotal role as the primary entity for infrastructure construction and state-owned asset operations in Chuzhou ETDZ; (2) good track record of receiving government support; 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 the primary entity for infrastructure construction and state-owned asset operations in Chuzhou ETDZ
- Good track record of receiving government support
- Moderate exposure to commercial activities
- Declining debt burden, but leverage and refinancing pressure remaining high
- 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; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as enhanced strategic position or 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

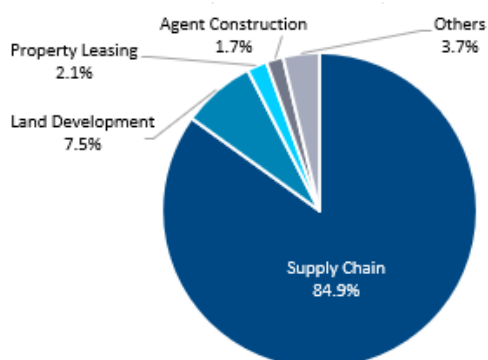
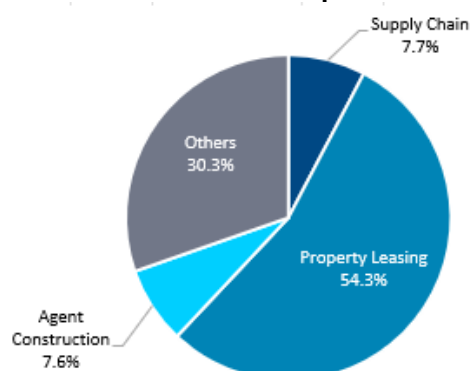
	2023FY	2024FY	2025FY	2026H1
Total Asset (RMB billion)	54.2	56.8	55.4	56.7
Total Equity (RMB billion)	16.7	19.6	19.9	19.8
Total Revenue (RMB billion)	13.0	11.2	9.9	3.9
Total Debt/Total Capital (%)	63.8	59.4	56.1	56.6

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

Source: Company data, CCXAP research

Corporate Profile

Founded in 1993, CETD is the most important local infrastructure investment and financing company ("LIIFC") in Chuzhou ETDZ, responsible for public-policy activities such as infrastructure construction and land transfer. It is also engaged in commercial activities including supply chain services, property leasing, and industrial investment. As of 30 June 2026, the Company was wholly owned and ultimately controlled by the Management Committee of Chuzhou ETDZ, a dispatched agency established by the Chuzhou Municipal Government to exercise unified leadership, planning and administration over economic and social affairs within the zone.

Exhibit 1. Revenue structure in 2025**Exhibit 2. Gross profit structure in 2025**

Source: Company information, CCXAP research

Exhibit 3. Shareholding chart as of 30 June 2026

Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that the Chuzhou Municipal Government has a very strong capacity to provide support, underpinned by the continued improvement in Chuzhou City's economic and fiscal strength and its pronounced locational advantages.

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 transportation hub. Its industrial structure is led by strategic emerging industries such as new energy vehicles, new display technologies and integrated circuits, and supported by traditional manufacturing industries including home appliances, steel and building materials, alongside modern agriculture and cultural and tourism industries. Anhui Province's economy continued to expand in 2025, with its gross regional product ("GRP") increasing from RMB5,062.5 billion in 2024 to RMB5,298.9 billion, representing a year-on-year ("YoY") growth of 5.5%. Its general budgetary revenue increased to RMB415.7 billion in 2025, while tax revenue accounted for 64.5% of general budgetary revenue, indicating relatively stable revenue quality. However, the Province's fiscal self-sufficiency remained relatively limited, with the ratio of general budgetary revenue to general budgetary expenditure standing at 45.6% in 2025. Meanwhile, Anhui Province's government debt balance increased by 17.9% to RMB2,140.0 billion as of end-2025.

Exhibit 4. Key economic and fiscal indicators of Anhui Province

	2023FY	2024FY	2025FY
GRP (RMB billion)	4,705.1	5,062.5	5,298.9
GRP Growth (%)	5.8	5.8	5.5
General Budgetary Revenue (RMB billion)	393.9	404.2	415.7
General Budgetary Expenditure (RMB billion)	864.4	900.0	911.7
Local Government Debt (RMB billion)	1,571.3	1,852.7	2,140.0

Source: Statistics Bureau of Anhui Province, CCXAP research

Located in the eastern part of Anhui Province, Chuzhou City is an important member of both the Nanjing Metropolitan Circle and the Hefei Economic Circle. The city has developed an industrial system centered on smart home appliances, advanced equipment manufacturing, photovoltaic new energy, and green food, with semiconductors and new energy vehicles serving as emerging growth drivers. In 2025, Chuzhou City's GRP increased to RMB422.1 billion, representing a YoY growth of 5.5%. Chuzhou City maintained moderate fiscal strength in 2025. Its general budgetary revenue increased by 1.1% YoY to RMB31.0 billion, ranking third among the prefecture-level cities in Anhui Province. Tax revenue increased to RMB16.9 billion and accounted for 54.5% of general budgetary revenue, broadly stable compared with 54.4% in 2024. General budgetary expenditure amounted to RMB58.2 billion, resulting in a fiscal balance ratio of 53.4%. However, government fund revenue declined by 17.7% to RMB17.5 billion in 2025, mainly due to lower land transfer revenue, indicating continued exposure to fluctuations in the local land market. Government debt balance of Chuzhou Municipal Government increased by 23.9% to RMB184.2 billion as of end-2025, accounting for 43.6% of the GRP. In the first half of 2026, Chuzhou City's general budgetary revenue amounted to RMB16.4 billion, down by 5.7% YoY. Overall, Chuzhou City's sizeable economy and moderate fiscal self-sufficiency support its capacity to provide support, although slowing fiscal revenue growth, weakening land-related revenue and the rapid increase in government debt remain constraints.

Exhibit 5. Key economic and fiscal indicators of Chuzhou City

	2023FY	2024FY	2025FY
GRP (RMB billion)	378.2	403.4	422.1
GRP Growth (%)	6.4	5.5	5.5
General Budgetary Revenue (RMB billion)	29.8	30.7	31.0
General Budgetary Expenditure (RMB billion)	53.4	57.9	58.2
Local Government Debt (RMB billion)	129.0	148.7	184.2

Source: Chuzhou Municipal Government, CCXAP research

Founded in 1992 and upgraded to a national-level ETDZ in 2011, Chuzhou ETDZ is located in the southern Chuzhou City and is an important industrial platform for the city. It has developed four leading industries: smart home appliances and electronic information, automotive and advanced equipment manufacturing, green food, and photovoltaic new energy. In the Ministry of Commerce's 2025 Comprehensive Development Level Assessment of National-Level ETDZs, Chuzhou ETDZ ranked within the top 20% among 228 participating zones, marking its fourth consecutive year among the national top 50. Its industrial economy maintained steady growth, with the value added and total profits of industrial enterprises above designated size increasing by 6.9% and 12.4% YoY, respectively, during the first seven months of 2026. Overall, its national-level status and established industrial base support its economic strength and role in Chuzhou City's industrial development.

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 operations entity in Chuzhou ETDZ, CETD undertakes public-policy activities including resettlement housing, municipal road construction and land transfer in Chuzhou ETDZ. The Company maintains strong regional franchise advantages and has made substantial contributions to local socioeconomic development, facilitating investment attraction and industrial chain development. However, its relatively limited pipeline of ongoing and planned projects constrains business sustainability, while the collection period of project payments remains uncertain. Given its pivotal position in regional development, we believe CETD is unlikely to be replaced by other local state-owned enterprises in the foreseeable future.

CETD undertakes infrastructure construction in Chuzhou ETDZ through the agent construction model mainly covering resettlement housing and municipal roads. As of end-2025, it had completed 21 resettlement housing projects with planned collections of RMB4.0 billion, of which RMB1.8 billion had been received. It had one ongoing resettlement housing project with planned investment of RMB300.0 million and no additional projects under planning. For municipal roads, CETD had completed 45 projects with planned collections of RMB1.3 billion as of end-2025, of which RMB0.6 billion had been received. It had 1 ongoing road project with planned investment of RMB43.0 million and no additional projects under planning.

CETD also conducts land transfer using self-owned land. As of end-2025, it held 55 land parcels with an aggregate book value of RMB8.4 billion. The Management Committee of Chuzhou ETDZ was the counterparty for its land transfers in 2024 and 2025. Land transfer revenue was RMB741.1 million in 2025 and RMB217.4 million in 2026H1, with no gross profit because revenue and cost were both recognized at book value. Compensation for financing costs and land-use taxes during the holding period is recorded as government subsidies. Overall, the business remains susceptible to local government policy and land-market conditions, resulting in weak stability.

Moderate exposure to commercial activities

The Company's commercial activities include supply chain services, property leasing, industrial and fund investments, lending and self-operated project construction. We estimate that the Company's commercial exposure is moderate with assets related to commercial activities accounting for nearly 30% of its total assets. These activities diversify revenue and earnings but also introduce market, counterparty and capital expenditure risks.

CETD's supply chain business is mainly operated by its subsidiary and comprises bulk commodity trading and entrusted processing. Bulk commodity trading focuses on coal, battery cells, electric vehicle parts and auxiliary materials for anode material production. The Company procures products from upstream suppliers based on downstream customer demand and arranges delivery, or requires suppliers to deliver directly, to designated locations. Entrusted processing mainly covers copper rods and aluminum products. The Company purchases raw materials and commissions processors to manufacture the products, which are delivered to designated locations or collected by customers. The Company generally settles with upstream suppliers upon delivery or on a cash-on-delivery basis, while downstream customers are granted payment periods and credit limits set according to product type and customer creditworthiness, which creates certain working capital tie-up risks. In 2025, revenue from this business declined by 14.3% YoY to RMB8.4 billion, accounting for 84.9% of total revenue, while its gross margin remained very low at 0.2%. During the first half of 2026, supply chain revenue

amounted to RMB3.4 billion, or 88.2% of total revenue, with a gross margin of 0.6%. Counterparty concentration increased in 2025, when the top five suppliers and customers accounted for 55.6% of purchases and 48.3% of sales, respectively. The thin margin and higher concentration constrain the business's earnings contribution and raise counterparty and liquidity risks.

CETD conducts its leasing business by renting factories, buildings and façade shops in Chuzhou ETDZ. In 2025, the business recorded revenue of RMB203.7 million and a gross margin of 45.7%. At end-2025, the Company had 2.57 million square meters of leasable properties, of which 2.13 million square meters were leased, representing an occupancy rate of 82.9%. CETD also constructs self-operated industrial parks and standardized factories. Its 9 major ongoing self-operated projects had total planned investment of RMB8.2 billion, with RMB2.4 billion remaining to be invested at end-2025. It also had two planned projects with total planned investment of RMB250.0 million. These projects are funded by self-raised resources and are expected to achieve fund balancing mainly through rental and other operating income, resulting in continued capital expenditure pressure.

CETD supports local enterprises in strategic emerging sectors through equity and fund investments. As of mid-2026, its long-term equity investments and other non-current financial assets totaled RMB5.0 billion, accounting for 8.9% of total assets. These investments provide supplementary earnings but expose the Company to investee performance, capital contribution and exit risks. Investment income fell sharply to RMB7.6 million in 2025 from RMB323.6 million in 2024, when earnings were boosted by the disposal of a portion of its equity interest in Chuzhou HKC Optoelectronics Technology Co., Ltd.

CETD also earns interest income from intercompany funding and entrusted loans. The book value of debt investments declined to RMB31.7 million at end-2025 from RMB101.7 million at end-2024, and the Company had no entrusted-loan defaults as of end-2025.

Good track record of receiving government support

As a key entity for infrastructure construction, investment and financing in Chuzhou ETDZ, CETD has maintained a strong track record of receiving government support, including fiscal subsidies, capital injections and debt-resolution funds. It recognized other income, mainly government subsidies, of RMB753.0 million in 2025 and RMB380.0 million in 2026H1. In addition, there are approximately RMB1.6 billion in government debt-resolution funds applied to repay bank loans, financial leasing and other borrowings in 2026H1. In 2024, the Management Committee of Chuzhou ETDZ injected assets worth RMB2.4 billion from the Original Science and Technology City PPP Project into a subsidiary of the Company, strengthening its capital base. Given the Company's essential role and close relationship with the local government, we expect continued support from regional authorities in the foreseeable future.

Declining debt burden, but leverage and refinancing pressure remaining high

CETD's total debt burden has declined since 2025 alongside debt-resolution funds and contracted capex, although its leverage remains high. As of 30 June 2026, its total debt had declined to RMB25.9 billion from RMB28.7 billion at end-2024. The total capitalization ratio (total debt/total capital) fell to 56.6% from 59.4%, but remained high. The Company's debt maturity profile has improved, with short-term debt accounting for 35.0% of total debt, as of 30 June 2026. However, the cash-to-short-term debt ratio remained low at 0.2x. Given continued capital expenditure and refinancing requirements, we expect CETD's leverage to remain high over the next 12 to 18 months.

Modest asset quality

CETD's asset quality remains modest, characterized by weak liquidity and high concentration in receivables, inventories, and investment properties. As of 30 June 2026, these assets totaled RMB45.1 billion and represented 79.6% of total assets. Receivables were mainly due from government-related and other counterparties, inventories largely comprised land and project costs, and investment properties mainly consisted of factories and industrial parks, all of which have relatively slow realization. Long-term equity investments and other non-current financial assets totaled RMB5.0 billion, accounting for 8.9% of assets, and were exposed to investee performance and exit uncertainty. We expect liquidity risks to remain manageable in light of CETD's funding access and government support, although asset realization remains slow. As of 30 June 2026, the Company had no external guarantees.

Good access to funding from banks and the bond market

CETD has good access to bank and capital-market financing. Bank loans and direct financing remained its main funding sources, which accounted for around 50.7% and 31.1% of debt at mid-2026, respectively. The Company's cooperated banks include state-owned banks and large joint-stock commercial banks. As of 30 June 2026, the Company had total bank credit facilities of RMB31.4 billion, of which approximately 65.1% was unused, providing ample standby liquidity. Its exposure to non-standard financing, mainly trust and finance-lease borrowings, was manageable at approximately RMB1.5 billion, or 5.8% of total debt. It also continued to access both onshore and offshore bond markets through multiple debt instruments, supporting its refinancing flexibility.

ESG Considerations

The Company is exposed to environmental risks from undertaking infrastructure construction and relocation housing projects. Such risks could be mitigated by conducting environmental studies and planning before project commencement and closely monitoring 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.

In terms of social awareness, the Company has played a crucial role in the social welfare of Chuzhou City by undertaking relocation housing and municipal road construction projects. In March 2026, CETD issued RMB300.0 million in 2.1% credit-enhanced sustainability bonds due 2029, with net proceeds will be used for refinancing existing offshore indebtedness.

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 Management Committee of Chuzhou ETDZ, 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 \(July 2022\)](#).

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

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656