

Credit Opinion

10 June 2026

Ratings

Senior Unsecured Debt Rating	A _g +
Long-Term Credit Rating	A _g +
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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Guangzhou Development District Investment Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Guangzhou Development District Investment Group Co., Ltd.'s long-term credit rating at A_g+, with stable outlook.

Summary

The A_g+ long-term credit rating of Guangzhou Development District Investment Group Co., Ltd. (“GDDI” or the “Company”) is underpinned by the Company’s (1) status as the core industrial investment platform in Guangzhou Economic and Technological Development Zone (“Guangzhou ETDZ”), with diversified investment portfolio; (2) good market position in property leasing and intelligent manufacturing business; and (3) good access to funding.

However, the rating is constrained by the Company’s (1) relatively weak profitability with a relatively high reliance on non-recurring gains; (2) high debt leverage and modest debt servicing capability.

The rating also reflects a high likelihood of government support from the Guangzhou ETDZ Government when needed, which is based on the Company’s (1) direct ownership and ultimate control by the Guangzhou Economic and Technological Development Zone Administrative Committee (“Guangzhou ETDZ Administrative Committee”); (2) significance in promoting industrial upgrading and transportation development in Guangzhou ETDZ; and (3) solid track record of receiving support from the local government including subsidies, capital injections and asset transfers.

The stable outlook on GDDI’s rating reflects our expectation that the local government’s capacity to provide support will remain stable, and the Company will maintain its strategic role as the important industrial development platform in Guangzhou ETDZ over the next 12 to 18 months.

Rating Drivers

- Core industrial investment platform in Guangzhou ETDZ, with diversified investment portfolio
- Good market position in property leasing and intelligent manufacturing business
- High debt leverage and modest debt servicing capability
- Good access to funding from banks and capital market
- High likelihood of support from the Guangzhou ETDZ Government

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the likelihood of support from the Guangzhou ETDZ Government increases significantly; (2) the quality of the Company's investment portfolio materially improves, generating more stable and recurring cash flow; or (3) the Company's stand-alone credit profile improves significantly, including substantial reduction in debt leverage, enhancement of core business profitability and strengthening of liquidity position.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of support from the Guangzhou ETDZ Government decreases; (2) the performance of the Company's core businesses (intelligent manufacturing, property leasing or strategic investment) deteriorates significantly; or (3) the Company shows weakened access to funding, eroded liquidity profile or further sharp deterioration in debt leverage.

Key Indicators

	2023FY	2024FY	2025FY	2026Q1
Total Assets (RMB billion)	59.9	70.8	75.0	78.3
Total Equity (RMB billion)	21.1	25.0	27.5	27.5
Total Revenue (RMB billion)	6.2	5.3	4.7	1.1
Net Profits (RMB million)	239.9	33.7	23.8	41.9
EBIT Margin (%)	22.7	22.9	23.7	-
Return on Assets (%)	2.4	1.9	1.5	-
Total Debt/Total Capital (%)	61.2	66.8	67.7	-
Total Debt/EBITDA (x)	20.5	29.1	33.4	-
EBITDA/Interest (x)	1.4	1.2	1.0	-
FFO/Total debt (%)	-2.2	-2.3	-2.6	-

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

Source: Company data, CCXAP research

Corporate Profile

Established in 1992 and formerly known as Guangzhou ETDZ State-owned Assets Investment Company, GDDI is positioned as the core industrial investment and sole transportation infrastructure construction and operation platform in Guangzhou ETDZ. Its main businesses include intelligent manufacturing, strategic investment, property leasing and park operation, transportation infrastructure construction and operation, urban renewal and bulk commodity trading. As of 31 March 2026, the Guangzhou ETDZ Administrative Committee was the Company's sole shareholder and ultimate controller.

Exhibit 1. Revenue structure in 2025

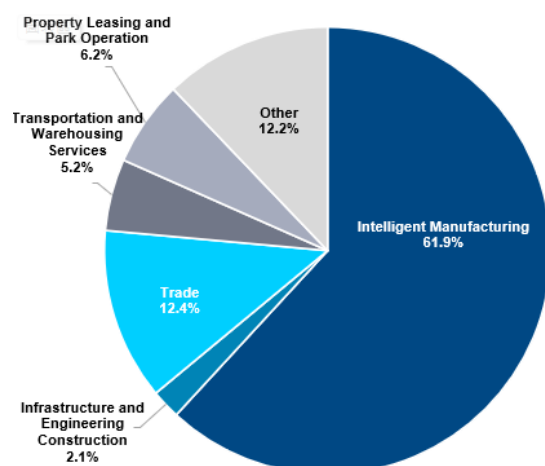
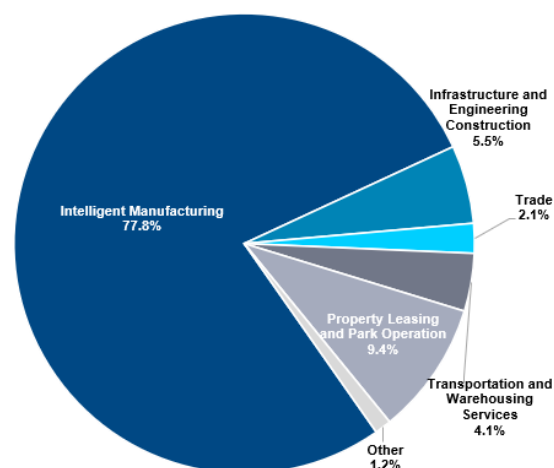


Exhibit 2. Gross profit structure in 2025



Source: Company information, CCXAP research

Rating Considerations

Business Profile

Core industrial investment platform in Guangzhou ETZ, with diversified investment portfolio

GDDI is the major industrial investment and operation platform in Guangzhou ETZ, as well as the sole platform for transportation infrastructure investment, construction, and operation. The Company assumes the functions of transportation infrastructure construction, industrial investment, and industrial park operation in Guangzhou ETZ.

As the most important industrial investment platform in Guangzhou ETZ, GDDI's major industrial investment projects align with national policies and regional industrial guidance, playing a significant strategic role in the development of the region's core industries. GDDI's strategic investment business is divided into three major segments: financial institutions investment, strategic industries investment, and strategic investment funds. Financial institutions investment and strategic investment funds are significant in scale, with their book values accounting for 95.8% of the total value of strategic investment business in 2025. Financial institutions investment is the main source of investment return, contributing 51.6% of the investment profits in 2025. The Company has formed a complete financial service chain including securities, banks, insurance, and private equity funds by holding 17.76% equity interests of Wanlian Securities Co., Ltd., 4.04% equity interests of Guangzhou Bank Co., Ltd., and 15.0% equity interests of Dinghe Property Insurance Co., Ltd.. In addition, for strategic investment funds, the Company concentrates on intelligent manufacturing and launches different funds for various projects, including industry funds, M&A funds, Pre-IPO funds. As of the end of 2025, the Company had issued 40 funds with a total scale of RMB34.3 billion, of which the capital contribution by the Company amounted to about RMB10.5 billion, and the income in 2025 was RMB282.3 million, accounting for 43.8% of total investment profits. For strategic industries investment, the Company's focus is on the regional key industries such as new energy vehicles, integrated circuits, and intelligence manufacturing.

Good market position in property leasing and intelligent manufacturing business

In addition, GDDI is responsible for property leasing and park operations. The Company holds a large number of property assets in Guangzhou ETDZ, which are diverse in type and well-located, contributing relatively stable rental income annually. The Company acquired the leasable properties through self-construction and acquisition. As of 31 December 2025, the Company owned rental properties with leasable area of about 2.0 million sqm and an average occupancy rate of 60.8%. Meanwhile, it had 14 self-operated projects under construction with a total planned investment of RMB34.8 billion and an uninvested amount of RMB13.7 billion, and the total leasable area will reach over 3.6 million sqm upon completion. We believe the rental income of the Company will continue to increase upon the completion of the ongoing projects. In 2025, the business recorded rental income of RMB292.0 million, with a YoY increase of 14.6%, mainly due to the increasing leasable properties. Moreover, it achieved a high gross profit margin of 70.5%, which is one of the main profit contributors for the Company.

GDDI entered into intelligent manufacturing business in 2022 through the acquisition of Guangdong Sunwill Precision Plastic Co., Ltd. ("Sunwill", stock code: 002676.SZ). Its main products include plastic air conditioner blades and modified plastics, with strong market position. In January 2024, Sunwill acquired 75% equity interests of Jiangsu Junwei Precision Components Technology Co., Ltd., expanding into the auto part sector. In 2025, Sunwill achieved revenue of RMB2.9 billion, increasing by 7.6% YoY mainly due to the increasing demand of air conditioner and automobile, with gross profit margin of 19.9%.

Diversified business mix which provides supplementary sources of revenue

GDDI serves as Guangzhou ETDZ's sole transportation infrastructure investment and construction platform, focusing on tram network development while expanding into comprehensive transportation services such as bus terminal and charging station operations. For tram line construction, Guangzhou ETDZ has planned for 12 tram lines totaling 186 kilometers, constructed under Public-Private Partnership or government financial allocation models. The Company collects payments through a combination of ticket revenue and government fiscal subsidies. As of 31 March 2026, Line 1 and 2 had been fully put into operation. However, the profitability of the business is weak due to its public welfare nature. Furthermore, the Company also expanded into comprehensive transportation services, operating 23 bus terminals and 5 charging stations with 75 charging piles.

GDDI was previously responsible for the Xinxi and Xiayuan urban renewal projects. In April 2025, the Company transferred 100% equity of Guangzhou Kaitou Construction Group Co., Ltd. ("Kaitou Construction", which undertook the Xiayuan project) to the Guangzhou ETDZ Management Committee. As a result, the Company no longer participates in the Xiayuan project and only retains the Xinxi project, with no plans to engage in other urban renewal projects. As of 31 December 2024, Kaitou Construction recorded a total asset of RMB3.7 billion and total revenue of RMB1.1 billion. The equity transfer of Kaitou Construction will diminish the Company's revenue and profits, yet have limited effect on its asset scale and capital strength. As of 31 March 2026, the Xinxi project had a total investment of approximately RMB17.9 billion.

GDDI also engages in bulk commodities trading business concentrated in Guangdong Province. In 2025, the bulk commodities trading business revenue was RMB585.0 million, accounting for 12.5% of total revenue, with a gross margin of 1.5%. In June 2025, the Company completed business transformation, exiting the steel, non-ferrous metal and chemical industries, and only retaining the rare and scattered metals business to provide supply chain services for intelligent manufacturing and integrated circuit enterprises. Moreover, this business has a high concentration risk as the top five suppliers accounted for 96.0% of total procurement value, and the top five customers represented 99.9% of total sales in 2025.

Additionally, GDDI is engaged in other businesses, including transportation and warehousing services and so on. Although these commercial activities have brought stable income to the Company, the small operating scales limit their contributions to the Company's overall revenue.

Financial Profile

Relatively weak profitability with high dependence on non-operating income

Benefited from the growth of intelligent manufacturing and property leasing businesses, the Company's gross profit margin increased to 17.9% in 2025. However, due to the transfer of construction business and the contraction of bulk trade, total revenue decreased by 11.5% YoY to RMB4.7 billion in 2025. The Company's period expense ratio remained high at 32.3% in 2025, eroding its operating profits.

The Company's profitability is relatively weak as reflected by the weak return on assets and EBIT margin. In 2025, the Company's EBIT margin was 23.7%, while the return on assets was 1.5%. The weak return on assets is mainly due to the Company's moderate asset quality, in that the Company's total assets mainly consist of long-term equity investment, other non-current financial assets, and investment properties, which provide modest investment returns and stable rental income to the Company. There are certain uncertainties to stability of the Company's profitability as the Company's net profit is highly dependent on investment income and fair value changes, which accounted for 260.7% and 507.3% to the total profit in 2025, respectively.

High debt leverage and modest debt servicing capability

With continuous investments in core businesses such as industrial investment as well as park construction and operation, GDDI's debt scale and leverage continue to grow. The adjusted total debt (including perpetual debt) increased from RMB41.3 billion at end-2024 to RMB45.0 billion as of 31 December 2025. In the same period, the total capitalization ratio maintained at a high level, rising from 66.8% to 67.7%. As of the end of 2025, the proportion of short-term debt was 22.7%, and the cash-to-short-term-debt ratio was 0.6x, indicating insufficient monetary funds to cover the short-term debt. With large number of construction projects under construction, we expect that the Company will continue to rely on external financing to meet its future capital expenditure needs, and its debt burden will continue to grow in the next 12 to 18 months.

As the Company's debt burden and financing costs increased, GDDI's long-term debt servicing capability is modest. Its EBITDA interest coverage ratio descended from 1.4x in 2024 to 1.0x in 2025 and total debt/EBITDA ratio increased from 29.1x to 33.4x over the same period. In addition, benefited by improved cash collection from core businesses, the Company's net cash inflow increased from RMB252.2 million in 2023 to RMB468.6 million in 2025. However, its FFO/total debt ratio remained negative for the past three years, reflecting weak cash flow to debt coverage capability.

Good access to funding

GDDI has a diversified range of financing channels, mainly including bank borrowings and bond issuance, which accounted for 58.3% and 40.9% of its total debt as of 31 December 2025, respectively. The Company maintains a solid cooperation with multiple commercial banks and has sufficient standby liquidity. As of 31 March 2026, the Company had obtained a total credit facilities of RMB98.0 billion, of which RMB58.5 billion had been unused. Moreover, the Company has issued various bond products, including corporate bonds, CPs, MTNs, ABS, and offshore USD bonds. In July 2025, the Company issued USD400.0 million in offshore bond market. In addition, the Company's exposure to non-standard financing is relatively low, accounting for less than 5% of total debt.

as of 31 December 2025. We consider the Company's diversified funding channels can largely fulfill its future refinancing needs and capital expenditure.

High likelihood of support from the Guangzhou ETDZ Government

We expect GDDI has a high likelihood of receiving support from the Guangzhou ETDZ Government in times of need. This expectation incorporates our considerations of the Company's (1) ultimate control by the Guangzhou ETDZ Administrative Committee; (2) significance in promoting the industrial development in Guangzhou ETDZ; and (3) solid track record of receiving support from the local government including subsidies, capital injections and asset transfers.

We believe that the Guangzhou ETDZ Government has strong capacity to provide support, given its strong comprehensive strength. It ranked 2nd by comprehensive strength among 230 national ETDZs in China, according to the evaluation results of the comprehensive development level of national ETDZs in 2025 released by the Ministry of Commerce of China. Dominated by high-tech industries and modern service industries, Guangzhou ETDZ houses multiple national-level economic functional zones such as Guangzhou Development Zone, playing a crucial supporting role in Guangzhou's economic growth. In 2025, its GRP reached RMB434.6 billion, with a YoY growth of 3.8%, ranking second among all districts in Guangzhou. Meanwhile, Guangzhou ETDZ has strong fiscal strength. In 2025, its general budgetary revenue was RMB22.6 billion, ranking first among all districts in Guangzhou. Affected by the downturn of local property market, the government funds dropped to RMB3.3 billion from RMB7.8 billion in 2024. However, Guangzhou ETDZ has a relatively large and increasing debt pressure. In 2025, Guangzhou ETDZ's debt balance increased to RMB69.3 billion.

The Guangzhou ETDZ Administrative Committee maintains an extremely high degree of control over GDDI's operations, including the formulation of business strategies and the appointment of the board of directors and key management personnel. The Company is also required to report its annual budget, objectives, plans and performance to the Guangzhou ETDZ Administrative Committee.

In recognition of the Company's importance of public activities in Guangzhou ETDZ, GDDI has a proven track record of receiving support from the local government in terms of financial subsidies and asset injections. In the 2020 restructuring of state-owned enterprises in Guangzhou ETDZ, the local government gratuitously transferred Guangzhou Development District Communications Investment Group Co., Ltd. and other local state-owned enterprises into the Company, greatly enhancing its capital strength and broadening its business scope. In 2025, the government provided RMB160.0 million to the Company in the form of project capital and cash injections, as well as RMB61.0 million of asset injection. Moreover, the Company received government subsidy of RMB26.8 million in 2025. Overall, given its important position and contribution to regional economic development, we believe that GDDI will receive ongoing government support to support its business operations.

ESG Considerations

GDDI bears environmental risks through its infrastructure projects. Such risks could be moderated by conducting environmental studies and detailed planning before the commencement of projects and close supervision during the construction.

GDDI is also exposed to social risks as a public services provider in Guangzhou ETDZ. Demographic changes, public awareness and social priorities shape government's target for GDDI, or affect the government's propensity to support the Company.

GDDI's governance considerations are also material as the Company is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity.

Structural Consideration

We did not notch GDDI's senior unsecured debt rating for structural subordination, reflecting our expectation that, in the event of financial distress, the government will likely provide support to the Company as the holding company, thereby increasing the recovery prospects for the holding company's creditors. We also see that the structural subordination risk is mitigated by the strategic importance of GDDI's sole platform for transportation infrastructure investment, construction, and operation, and a major industrial investment and operation platform in Guangzhou ETDZ, thus we expect that government support will be provided to the Company to preserve its ownership of such assets.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [General Corporate \(May 2026\)](#).

Appendix

Exhibit 3. Peer Comparison

	Guangzhou Development District Investment Group Co., Ltd.	Science City (Guangzhou) Investment Group Co., Ltd.
Long-Term Credit Rating	A _g +	A _g -
Shareholder	Guangzhou Development District State-owned Assets Supervision and Administration Bureau (100%)	Guangzhou ETDZ Management Committee (94.8%), Guangdong Provincial Department of Finance (5.2%)
Positioning	The sole platform for transportation infrastructure construction and operation	The urban construction and renewal service provider in Guangzhou ETDZ
Total Asset (RMB billion)	75.0	155.0
Total Equity (RMB billion)	27.5	27.6
Total Revenue (RMB billion)	4.7	28.4
Total Debt/Total Capital (%)	67.7	79.7

All ratios and figures are calculated using CCXAP's adjustments based on financial data in 2025FY.

Source: Company information, CCXAP research

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