Credit Opinion

27 November 2026

Ratings	
Senior Unsecured Debt Rating (guaranteed)	BBB_g+
Long-Term Credit Rating	BBB_g
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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Dongtai Chengxing Investment Development Co., Ltd.

Surveillance credit rating report

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

Summary

The BBB_g long-term credit rating of Dongtai Chengxing Investment Development Co., Ltd. ("DTCX" or the "Company") reflects (1) the 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 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.

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.

Rating Drivers

- Major entity responsible for the regional construction in the Dongtai HIDZ
- Low commercial risk exposure
- Good track record of receiving government support
- Certain short-term debt burden and moderate liquid asset profile
- Access to multiple funding channels, but high reliance on non-standard financing products
- Moderate exposure to external guarantees

Rating Sensitivities

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.

Key Indicators

	2023FY	2024FY	2025FY	2026H1
Total Asset (RMB billion)	16.8	17.3	18.4	17.3
Total Equity (RMB billion)	9.3	9.5	9.9	10.0
Total Revenue (RMB million)	622.6	596.0	596.7	299.4
Total Debt/Total Capital (%)	38.4	39.0	40.3	36.5

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

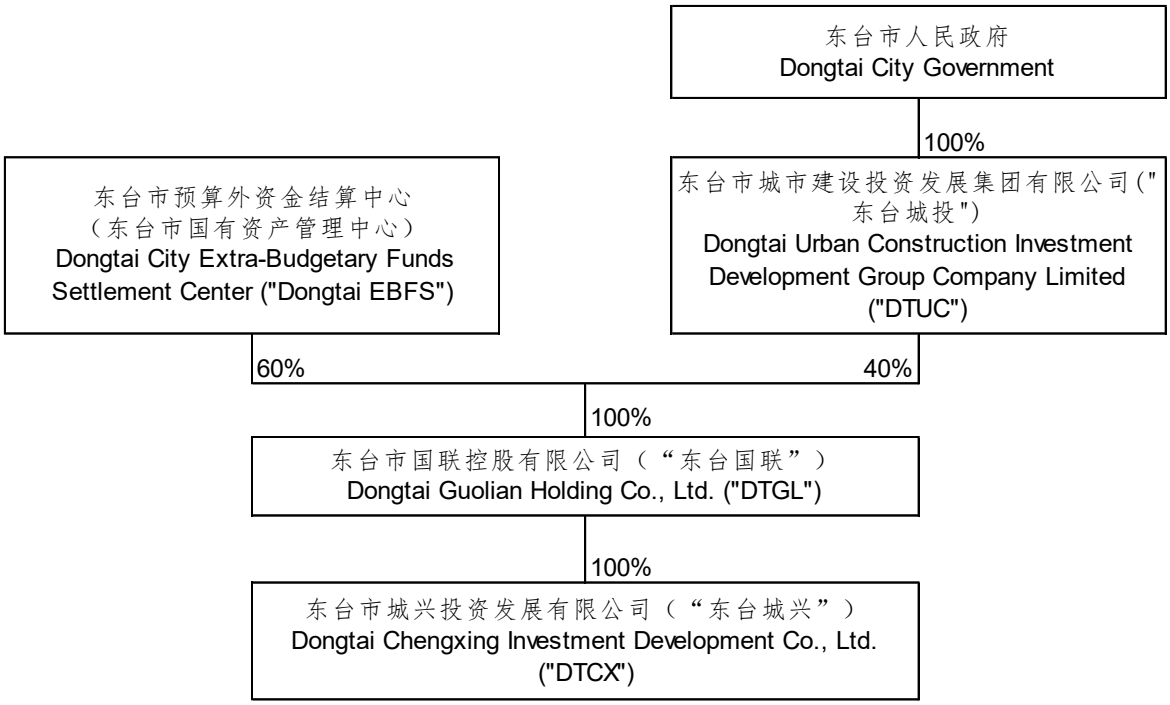
Source: Company data, CCXAP research

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 infrastructure investment and financing companies ("LIIFCs") 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 infrastructure construction and assets operation 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.

Exhibit 1. Shareholding chart as of 30 September 2026



Source: Company information, CCXAP research

Exhibit 2. Revenue structure in 2025

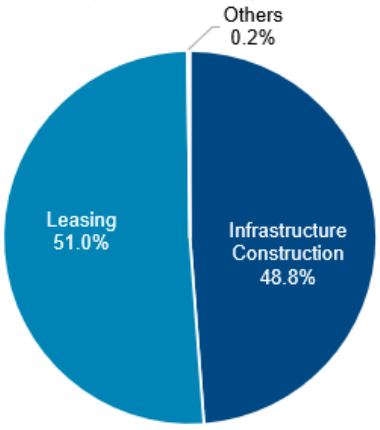
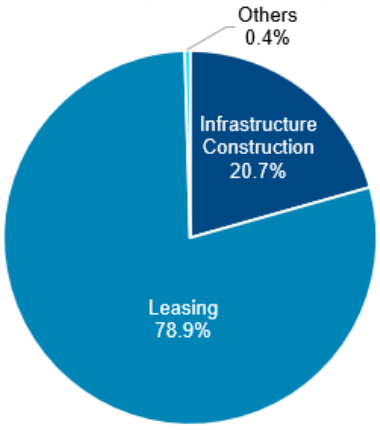


Exhibit 3. Gross profit structure in 2025



Source: Company information, CCXAP research

Rating Considerations

Government’s Capacity to Provide Support

We believe that the Dongtai City Government has a strong capacity to provide support, given its status as one of the 2026 CCID Top 100 Counties in China. Its economic and fiscal strength ranks top among all districts and counties in Yancheng City with a good growth trend.

Jiangsu Province is one of the leading and well-developed provinces in China. It is home to many of the world leading enterprises of electronic equipment, chemicals, and textiles. Jiangsu Province is the second largest province in China by gross regional product (“GRP”), after Guangdong Province. In 2025, its total GRP amounted to RMB14.2 trillion, a year-over-year (“YoY”) increase of 5.3%. The GRP per capita for the same

period was RMB166,961.7, ranking top among all provinces in China. In the first nine months of 2026, Jiangsu Province's GRP stood at RMB10.9 trillion, representing a YoY increase of 5.2%.

Yancheng City is a prefecture-level city in Jiangsu Province, with a good economic foundation. Building on its traditional industries, including automobiles, textiles, steel and chemicals, Yancheng City is undergoing an economic transition and developing emerging industries, including new energy vehicles and core components, new energy, next-generation information technology, healthcare, the digital economy and the marine economy, which could support sustainable economic growth over the long term. In 2025, Yancheng City achieved a GRP of RMB804.5 billion with a 5.4% YoY growth rate, ranking 8th among 13 municipals in Jiangsu Province. In the first nine months of 2026, Yancheng City's GRP stood at RMB612.8 billion, representing a YoY increase of 5.2%. The general budgetary revenue increased annually on the back of steady economic growth and optimized upgrading of the industrial structure. In 2025, the general budgetary revenue rose to RMB51.6 billion from RMB49.6 billion in 2024, with tax revenue increased slightly to RMB34.7 billion from RMB33.5 billion. The three-year average fiscal stability (tax revenue/general budget revenue) remained relatively stable at 68.5%. However, the fiscal balance ratio (calculated as general budgetary revenue divided by general budgetary expenditure) remained moderate, with a three-year average ratio of 43.3% for the period 2023 to 2025. As of the end of 2025, the local government's outstanding debt increased to RMB209.2 billion, accounting for around 26.0% of GRP.

Exhibit 4. Key economic and fiscal indicators of Yancheng City

	2023FY	2024FY	2025FY
GRP (RMB billion)	740.4	777.9	804.5
GRP Growth (%)	5.9	5.5	5.4
General Budgetary Revenue (RMB billion)	48.3	49.6	51.6
General Budgetary Expenditure (RMB billion)	122.8	113.7	109.9
Local Government Debt (RMB billion)	165.5	196.2	209.2

Source: Yancheng Municipal Government, CCXAP research

Dongtai City is a county-level city under the administration of Yancheng City. Dongtai City has good economic and fiscal strength, ranking among the highest across the districts and counties in Yancheng City. The leading industries in Dongtai City include information technology, new energy, high-end equipment, new materials and healthcare. From 2024 to 2025, Dongtai City's economic strength improved steadily, with GRP increasing by 5.8% from RMB119.1 billion to RMB124.2 billion. In 2025, Dongtai City reported that general budgetary revenue increased to RMB7.0 billion from RMB6.8 billion in 2024. The fiscal balance ratio of the Dongtai City Government was moderate, with an average ratio of 44.6% over the past three years. It reflects a relatively high reliance on fiscal support from higher-level governments and revenue from government funds to balance its fiscal budget. Dongtai City Government's outstanding direct debt increased to RMB28.4 billion at the end of 2025, accounting for about 22.9% of its GRP.

Exhibit 5. Key economic and fiscal indicators of Dongtai City

	2023FY	2024FY	2025FY
GRP (RMB billion)	111.8	119.1	124.2
GRP Growth (%)	7.0	5.9	5.8
General Budgetary Revenue (RMB billion)	6.5	6.8	7.0
General Budgetary Expenditure (RMB billion)	15.0	15.6	15.0
Local Government Debt (RMB billion)	19.6	24.7	28.4

Source: Dongtai City Government, CCXAP research

Dongtai HIDZ, located in the eastern part of Dongtai City's central urban area, was officially approved as a provincial-level high-tech industrial development zone in 2025. The zone promotes the integrated development of industry and urban infrastructure, focusing on information technology, new energy, and modern services. It has developed distinctive industrial chains in crystalline silicon photovoltaics, integrated circuits, printed circuit boards, and wind power equipment. In 2025, Dongtai HIDZ's industrial sales measured by tax invoices exceeded RMB30.0 billion. As one of the key infrastructure development entities serving Dongtai HIDZ, the Company is positioned to benefit from the zone's continued industrial development and associated infrastructure demand.

Government's Willingness to Provide Support

Major entity responsible for the infrastructure construction in the Dongtai HIDZ

State-owned enterprises in Dongtai City have clear functional positions under the guidance and governance of the local government. DTCX is the major developer responsible for the infrastructure construction projects within the Dongtai HIDZ. Its shareholder, DTGL, is one of the largest LIIFCs in terms of total assets and the core infrastructure construction and state-owned assets operation entity in Dongtai City, especially in Dongtai Coastal Economic Zone, Dongtai HIDZ, and Huanghai National Forest Park. Dongtai State-owned Assets Operation Group Co., Ltd. ("DTAO"), another major subsidiary of DTGL, is the main entity for the investment and operation of state-owned assets in Dongtai CAZ and Huanghai National Forest Park.

DTCX and its subsidiaries are primarily responsible for infrastructure construction projects within the Dongtai HIDZ, including the investment and construction of infrastructure and demolition works. These projects are typically carried out under a mandated construction model, with the Company responsible for project financing and construction. Dongtai Runwei Construction Co., Ltd. ("Runwei Construction") has served as the entrusting party since 2024. Annually, the Company recognizes revenue based on settlement amounts agreed with the entrusting party, applying a 25% markup on actual cost. Additionally, in 2020, the Dongtai Municipal Finance Bureau arranged the transfer of a 100% equity interest in the entity previously responsible for infrastructure construction in the Dongtai HIDZ to the Company. The transfer brought a substantial portfolio of existing mandated construction projects to the Company, supporting future revenue recognition. For these subsequently integrated projects, a revised agreement signed in December 2025 replaced the Finance Bureau with Runwei Construction as the repurchaser and increased the markup on cost from 5% to 25%. In 2025, DTCX recognized RMB291.0 million in revenue from entrusted construction projects. However, settlement of existing projects remained slow. As of end-2025, inventories included RMB8.6 billion in accumulated costs for entrusted construction projects that had not yet been charged to cost of sales. The portfolio included 40 completed but unsettled projects with a total investment of RMB1.9 billion.

Overall, most of the Company's current mandated construction projects have entered the settlement and completion phases, resulting in a reduced scale of required future investment, with no new projects planned for construction. However, considering the ongoing industrial development in the region, future construction demand in the Dongtai HIDZ is expected to persist. 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. Meanwhile, the Company's investments in associates, covering property management, landscaping, and trading, are guided by the local government, though they have generated limited returns so far.

DTCX's leasing revenue is primarily derived from pipeline network assets allocated by the local government at no cost. The lessees of these assets are two state-owned water supply and sewage treatment companies in Dongtai City. The Company has entered into long-term leasing agreements with these lessees, featuring predefined annual rent escalations. In 2025, DTCX's pipeline leasing revenue rose by approximately 3% year on year to RMB304.2 million, accounting half share of total revenue in 2025. In the first half of 2026, leasing revenue reported RMB156.7 million, accounting for 52.3% of total revenue and generating a high gross margin of around 73.9%.

DTCX also holds investments in associates engaged in property management, landscaping and trading, with a total long-term equity investment carrying value of RMB2.4 billion as of 30 June 2026. However, returns from these investments have remained limited, with the Company recording no investment income in the recent years. Future investment income or capital requirements will depend on the development and performance of these associates' operations.

Good track record of receiving government support

DTCX has a good track record of receiving support from the local government in various forms, including capital injections, asset injections and government subsidies, to support its operations. The Company was established with a government capital injection and continues to receive stable annual fiscal subsidies, totaling approximately RMB100.0 million in 2025. Furthermore, the local government has allocated revenue-generating operating assets, such as pipeline networks, to the Company, providing supplementary operating income and expanding its business scope. Meanwhile, the Company also holds a sizable portfolio of construction costs for entrusted construction projects pending settlement. Although the settlement progress for these projects could be partially protracted, they are expected to provide a stable stream of future agency construction revenue and government payments, underpinning the Company's business sustainability. 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.

Certain short-term debt burden and moderate liquid asset profile

DTCX's total debt increased from RMB6.1 billion at end-2024 to RMB6.7 billion at end-2025, while its total capitalization ratio rose from 39.0% to 40.3%. As of 30 June 2026, total debt had declined to RMB5.7 billion and the total capitalization ratio had fallen to 36.5%. The Company reported that it used proceeds from the collection of other receivables to repay bank borrowings and non-standard debt in the first half of 2026. Despite the reduction in total debt, short-term debt accounted for 48.8% of total debt at mid-2026, and the cash-to-short-term debt ratio stood at 0.3x. Given the Company's ongoing need for external funding for project construction and its reliance on refinancing to meet debt obligations, we expect funding pressure to persist over the next 12 to 18 months. DTCX's asset liquidity is considered moderate. As of 30 June 2026, its assets were dominated by other receivables (6.4%), inventories (49.8%), long-term equity investments (14.1%) and fixed assets (20.0%). Other receivables are primarily amounts due from local government entities and state-owned enterprises, while inventories mainly comprise accumulated costs of entrusted construction projects. Their liquidity remains constrained by prolonged collection and project settlement cycles. The Company's long-term equity investments are mainly joint ventures with another state-owned enterprise, including a property management enterprise, a landscaping enterprise and a trading enterprise, which have provided limited financial returns. Fixed assets primarily consist of government-allocated pipeline networks that generate stable leasing income. As of 30 June 2026, restricted assets totaled approximately RMB683.1 million, equivalent to 3.9% of total assets. Overall, this relatively illiquid asset profile limits the Company's financial flexibility.

Access to multiple funding channels, but high reliance on non-standard financing products

DTCX has a diversified funding structure, comprising bank loans, non-bank financing, and capital market instruments. Bank loans and corporate bonds constituted around 34.9% and 19.5% of its total interest-bearing debt, respectively, as of 30 June 2026. The Company benefits from established banking relationships, primarily with large state-owned and city commercial banks. As of end-2025, it has obtained total bank facilities of RMB2.6 billion, with an unused portion of RMB417.0 million. The Company also has access to both onshore and offshore debt capital markets, with outstanding offshore bonds equivalent to USD43.7 million as of 30 June 2026. In the onshore market, the Company has demonstrated its ability to secure funding at relatively low costs, as illustrated by its issuance in November 2025 of a five-year, RMB800.0 million privately placed corporate bond with a coupon rate of 2.8%.

However, the Company's reliance on non-standard financing products were 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 especially under the evolving and relatively stringent regulatory environment for non-standard financing products at the local government level.

Moderate exposure to external guarantees

DTCX's credit profile is constrained by its moderate guarantee exposure, which could potentially increase its repayment obligations. As of 30 June 2026, DTCX's external guarantee amounted to RMB4.2 billion, equivalent to 42.0% of its total equity. All guaranteed entities were local state-owned enterprises. If guaranteed borrowers experience credit events, DTCX could face payment obligations under its guarantees, exposing the Company to contagion risk and potentially weakening its liquidity and credit quality.

ESG Considerations

DTCX faces environmental risks because it has undertaken construction business. Such risks could be moderated by conducting environmental studies and planning prior to the start of the projects, and close monitoring during the construction phase.

DTCX is exposed to social risks as it implements public policy initiatives through the construction of public projects in Dongtai City. Demographic changes, public awareness and social priorities influence the Company's development targets and ultimately affect the local government's willingness to support the Company.

DTCX's governance considerations are also material as the Company is subject to oversight by the Dongtai City Government and must meet several reporting requirements, reflecting its public-policy role and status as a government-owned entity.

Structural Consideration

DTCX's senior unsecured debt rating (guaranteed) is based on our assessment of the credit quality of DTUC, which provides an unconditional and irrevocable guarantee of the due payment of all sums payable by DTCX under the bonds (ISIN: XS3276994236). DTUC is directly and wholly owned by the Dongtai City Government and is an important infrastructure development entity in Dongtai City. It is responsible for urban infrastructure construction and the operation of state-owned assets. Its core activities include infrastructure development, land consolidation, and affordable housing construction. Our analysis relies on DTUC fulfilling its payment obligations under the guarantee. Any change in DTUC's credit quality could lead to a corresponding change in the rating of the bonds.

Rating Methodology

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

Appendix

Exhibit 6. Peer comparison

	Dongtai Chengxing Investment Development Co., Ltd.	Dongtai State-owned Assets Operation Group Co., Ltd.
Long-Term Credit Rating	BBB_g	BBB_g
Shareholders	Dongtai Guolian Holding Co., Ltd. (100%)	Dongtai Guolian Holding Co., Ltd. (100%)
Positioning	Key entity for infrastructure construction in Dongtai HIDZ	Main entity for the investment and operation of state-owned assets in Dongtai City, especially in Dongtai CAZ and Huanghai National Forest Park
Total Assets (RMB billion)	18.4	44.6
Total Equity (RMB billion)	9.9	22.4
Total Revenue (RMB billion)	0.6	1.2
Total Debt/Total Capital (%)	40.3	42.9

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

Source: Company information, CCXAP research

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