

CCXAP affirms Jiangsu Shuanghu Investment Holding Group Co., Ltd.'s long-term credit rating at BBB_g-, with stable outlook.

Hong Kong, 16 September 2025 -- China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed Jiangsu Shuanghu Investment Holding Group Co., Ltd.'s ("SHIH" or the "Company") long-term credit rating at BBB_g-, with stable outlook.

The BBB_g- long-term credit rating of SHIH reflects (1) the Jianhu County 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 the local government's capacity to provide support reflects Jianhu County's status as one of the CCID Top 100 Counties in China and its relatively good economic position among counties/districts in Yancheng City. However, its fiscal metrics are moderate and its debt profile is relatively weak.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) status as the most important and largest local infrastructure investment and financing company ("LIIFC") in Jianhu County; (2) key role in resettlement housing, infrastructure construction and public services in Jianhu County; and (3) good track record of receiving government support. However, the rating is constrained by the Company's (1) increasing exposure to commercial activities; (2) certain exposure to non-standard financing; and (3) medium level of contingent risk.

Corporate Profile

Founded in 2017, SHIH consolidated several local state-owned enterprises in 2021, making it the largest LIIFC by total assets in Jianhu County. The Company is responsible for the investment and operation of resettlement housing and infrastructure construction in Jianhu County. SHIH has a diversified business scope including infrastructure construction, engineering construction, water service, property sales, and commodity sales. As of 31 March 2025, Jianhu County Government ultimately controlled SHIH and directly held 100% shares of the Company.

Rating Rationale

Credit Strengths

Strategic position in the development of Jianhu County. SHIH is a key entity with the largest asset scale in investment and operation of infrastructure construction in Jianhu County. As of 31 March 2025, the Company's total assets amounted to around RMB81.9 billion. In addition, the Company has the largest volume of outstanding bonds among the LIIFCs in Jianhu County. A default by SHIH could have a significant impact on the local government's reputation and local financing environment.

Key role in resettlement housing, infrastructure construction and public services in Jianhu County. SHIH is one of the core LIIFCs in Jianhu County which is responsible for

important infrastructure construction tasks in Jianhu County, including shantytown projects, resettlement housing and road construction. SHIH also provides public utility services such as water supply, sewage treatment and bus operations in Jianhu County with regional monopoly advantages. The Company's bus operations, conducted through its subsidiary, Jianhu County Transportation Investment Co., Ltd. ("JHTI"), recorded a revenue of RMB1.1 million in 2024. In April 2025, JHTI was transferred to another state-owned enterprise in Jianhu County.

Good track record of receiving government support. SHIH and its subsidiaries have a good track record of receiving support from the local government in the form of asset injections, equity transfers, debt swap funds and government subsidies. We expect that the Company will maintain its strategically important position in infrastructure construction in Jianhu County, and the local government will continue to support its development.

Credit Challenges

Good access to bank borrowing and bond issuance, but some exposure to non-standard financing. SHIH has access to funding channels including bank loans, the onshore and offshore debt capital markets and financial companies. Bank loans and bonds accounted for the majority of its debts. However, the Company had certain exposure to non-standard financing. As of 31 March 2025, non-standard financing borrowing accounted for around 25% of total debts with relatively high costs, including financial leases and trust loans.

Relatively high debt leverage with relatively high short-term debt burden. SHIH's debt burden and debt leverage are relatively high mainly due to ongoing financing for construction projects and affordable housing. In addition, the Company has a relatively high short-term debt burden. At the same time, the cash to short-term debt ratio was 0.3x, indicating a relatively high refinancing need. The Company is expected to continue relying on external financing for debt repayment and construction projects. We expect that the Company's debt leverage will maintain at a relatively high level in the next 12-18 months.

Medium level of contingent risk. SHIH's credit profile is constrained by its external guarantees, which could potentially increase its repayment obligations. The guarantees are all provided to other state-owned enterprises but no guarantees have counter-guarantee measures in place. In case a credit event occurs, the Company may face large-scale cross-effects risks, which could negatively impact its credit quality. Nevertheless, we believe that the contingent risk of the external guarantee is moderately controllable, considering the position of some of these state-owned enterprises and may receive timely support from the local government.

Rating Outlook

The stable outlook on SHIH's rating reflects our expectation that the Jianhu County Government's capacity to provide support will remain stable, and the Company will maintain its important position in Jianhu County 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 increased regional importance, enhanced debt management, and improved financing ability.

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, increased exposure to risky commercial activities or material increase 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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http://www.ccxap.com/en/rating_services/category/6/

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