

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

Hong Kong, 17 October 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Jiangsu Ruihai Investment Holding Group Co., Ltd. (“JRIH” or the “Company”) at BBB_g, with stable outlook.

The BBB_g long-term credit rating of JRIH reflects Hai'an City Government's very strong capacity to provide support and its high willingness to provide support based on our assessment of the Company's characteristics. Our assessment of Hai'an City Government's capacity to support reflects Hai'an City's good economic strength as one of the National Top 100 Counties for economy competitiveness, with a gross regional product (“GRP”) over RMB100 billion, while it has moderate fiscal metrics and debt profile.

The rating also reflects the local government's willingness to support, which is based on the Company's (1) direct and full ownership by the Hai'an City Government; (2) high strategic role in land development and affordable housing in Hai'an City and Hai'an Logistics Development Zone (“Logistics Zone”); and (3) track record of receiving government support. However, the rating is constrained by the Company's (1) medium risk exposure to commercial activities; (2) moderate debt management with debt maturities in the short term; (3) large capital expenditure pressure with long repayment period; and (4) rising contingent liabilities stemming from guarantees provided to local state-owned enterprises (“SOEs”).

Corporate Profile

Established in 2013, JRIH is one of the key local infrastructure investment and financing companies (“LIIFCs”) in Hai'an City, a county-level city under the administration of Nantong City. JRIH is an important provider of affordable housing in Hai'an City and the main developer in the Logistics Zone. It undertakes the affordable housing and land consolidation business primarily through its fully-owned subsidiaries, Hai'an City Relocation and Reconstruction Co., Ltd. (“Hai'an Reconstruction”) and undertakes the land development and infrastructure construction in the Logistics Zone primarily through Jiangsu Hai'an Trade Logistics Group Co., Ltd. (“Hai'an Trade Logistics”). JRIH also takes some commercial businesses such as commercial property development, property management and trading. As of 30 June 2025, JRIH was wholly-owned and controlled by the Hai'an City State-owned Asset Management Center (“Hai'an SAMC”).

Rating Rationale

Credit Strengths

High strategic role in land development and affordable housing in Hai'an City. JRIH is one of the key LIIFCs in Hai'an City under the supervision of the Hai'an City Government. Over years of development, JRIH has developed competitive advantages in the affordable housing business and became the sole entity under the supervision of Hai'an City Government to conduct such business in the urban areas of Hai'an City. In addition, JRIH is also responsible

for the development of the Logistics Zone. Given the important policy role in affordable housing and public function, we expect that the Company's strategic position in Hai'an City is unlikely to change over the next 12 to 18 months.

Track record of receiving government support. JRIH has a track record of receiving support from the government in various forms such as capital injection, financial subsidies, proceeds of project management and asset injections. JRIH has a record of receiving government repayments, while it depends on the progress of settlement and there is an obvious lag in payment collection. We do not expect its support from the government to be diminished, underpinned by the its continued critical role in regional infrastructure development and its established importance as a recurrent issuer in the public bond market.

Diversified and stable sources of funding. JRIH has access to various sources of funding including bank loans, bond issuances and non-standard financing. The Company maintains good relationships with large domestic banks such as policy banks and national joint-stock commercial banks. The Company and its subsidiaries had a track record of accessing to both onshore and offshore debt markets. In addition, the Company received borrowing from other local SOEs and had exposure to non-standard financing. As of 30 June 2025, the Company's exposure to non-standard financing remained controllable.

Credit Challenges

Medium risk exposure to commercial activities. JRIH is also engaged in some commercial activities such as commercial housing development, property management, trading, and self-operated projects that expose the Company to certain business risks. The risk exposure increased as the business developed and the asset size accounted for more than 10% of its total assets, mainly because of its commercial housing development business.

High leverage and weak asset liquidity. JRIH's debt growth has been moderating under proactive management, but its leverage ratio remained high. The Company's short-term debt pressure has increased. The cash to short-term debt ratio was 0.4x, indicating that its cash balance was insufficient to cover its short-term debt. The Company has a considerable ongoing investment in its public activities including land consolidation, affordable housing and infrastructure construction. We expect that JRIH's debt burden will maintain in the near future. Moreover, JRIH's asset liquidity is moderately weak as the Company has a large number of current assets with less liquidity.

Medium exposure to external guarantees provided to local SOEs. The Company has a medium exposure to contingent liabilities from its external guarantees provided to external parties. The majority of these external guarantees were provided to other local SOEs. The Company had provided guarantees to 1 local private-owned enterprise with an amount of RMB200.0 million, representing 1.4% of the total guarantees. In addition, the Company provided guarantees for personal mortgage loans of affordable housing owners, amounted to RMB11.3 million, representing 0.1% of the total guarantees. In case a credit event occurs, the Company may face certain contingent liability risks, which are negative to its credit quality.

Rating Outlook

The stable outlook on JRIH's rating reflects our expectation that the Hai'an City Government's capacity to provide support will be stable, and the Company's characteristics, such as its important role in the provision of affordable housing and the development of Hai'an City, are expected to remain stable over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support materially strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support such as a material improvement in debt management or financing ability.

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 material increase in commercial business risk, or deteriorated debt management.

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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