

CCXAP affirms the long-term credit rating of Kunshan Guochuang Investment Group Co., Ltd. at A_g, with stable outlook

Hong Kong, 13 February 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Kunshan Guochuang Investment Group Co., Ltd. (“KGIG” or the “Company”) at A_g, with a stable outlook; and affirmed the Company’s senior unsecured debt rating at A_g.

The A_g long-term credit rating of KGIG reflects Kunshan City Government’s excellent capacity and high willingness to provide support to the Company, based on our assessment of the Company’s characteristics. Our assessment of Kunshan City Government’s capacity to provide support reflects its strong comprehensive strength, ranking 1st among the Top 100 counties/county-level cities in China, with good economic and fiscal profile.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) essential role in public policy activities of Kunshan Economic and Technological Development Zone (“Kunshan ETDZ”) which has a leading position among the national-level ETDZs; (2) solid track record of receiving government payments; and (3) good access to financing channels. However, the rating is constrained by the Company’s (1) high exposure to commercial activities, the profitability of which is susceptible to economic and industry cyclicity; and (2) high financial leverage with short-term debt burden.

Corporate Profile

Founded in 1992, KGIG is a local infrastructure investment and financing company (“LIIFC”) in Kunshan City, Suzhou City. The Company is primarily responsible for infrastructure construction and land development in Kunshan ETDZ, playing an important role in the urban development and operation of Kunshan City. The Company is also engaged in commercial activities such as real estate development and sales, property leasing, and sales of electronic appliances. As of 30 September 2025, the Company was directly and wholly owned by the State-owned Assets Supervision and Administration Office of Kunshan City Government (“Kunshan SASAO”).

Rating Rationale

Credit Strengths

Essential role in the public policy activities of Kunshan ETDZ. KGIG is the primary state-owned assets operation entity in Kunshan City and is mandated by the government to develop Kunshan ETDZ. The Company is one of the core entities undertaking public policy activities, such as infrastructure construction and land development in Kunshan City. KGIG has completed a series of large-scale infrastructure construction projects over the past few years, including roads, schools, bridges and relocation houses, which significantly benefit people’s livelihood and promote the urbanization development of Kunshan City. Considering KGIG’s essential role in regional economic and social development in Kunshan ETDZ as well as

Kunshan City, we believe the Company is unlikely to be replaced by other local state-owned enterprises in the foreseeable future.

Solid track record of receiving government payments. As the core LIIFC in Kunshan ETDZ, KGIG has a proven track record of receiving government payments in the forms of government subsidies, asset and cash injections, to support its businesses and operations. Considering that the Company plays a strategic position in regional economic and social development in Kunshan City, we expect the Company will continue to receive support from the local government over the next 12 to 18 months.

Good access to financing channels. KGIG has sufficient stand-by liquidity and diversified funding channels, including bank loans, bond issuances, and non-standard financing products, which may partially release capital expenditure pressure and liquidity profile. Furthermore, KGIG has a proven track record of financing from both onshore and offshore debt capital markets and equity capital markets. The Company maintained a manageable exposure to non-standard financing, accounting for less than 5% of its total debt as of 30 September 2025.

Credit Challenges

High exposure to commercial activities. KGIG also engages in other commercial activities such as sales of electronic appliances, real estate development, and property leasing. Based on our assessment, KGIG's commercial activities exposure is high, accounting for more than 30% of its total assets

High financial leverage with short-term debt burden. KGIG's debt has kept increasing over the recent years mainly attributable to the ongoing financing for the infrastructure construction, property development projects and equity investment. Meanwhile, the Company has a relatively high short-term debt burden. We expect that the debt leverage will remain at a relatively high level in the next 12-18 months, considering the capital needs from project construction.

Rating Outlook

The stable outlook on KGIG's rating reflects our expectation that, in the next 12 to 18 months, the local government's capacity to support the Company will remain stable, and the Company will maintain its strategic role in Kunshan ETDZ.

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 decreasing exposure to commercial activities or improving debt management.

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 reducing strategic significance or weakening access to financing channels.

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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