# CCXAP upgrades Qingdao Ronghui Fortune Investment Holding Group Co., Ltd.'s long-term credit rating to $A_g$, with stable outlook.

Hong Kong, 13 July 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has upgraded Qingdao Ronghui Fortune Investment Holding Group Co., Ltd. 's ("QDRH" or the "Company") long-term credit rating to $A_g$ from $A_g$-, with stable outlook.

The rating upgrade reflects our expectation of stronger capacity to provide support from Shibei District Government, driven by Shibei District's ongoing economic growth and good fiscal quality, which will translate into enhanced support for the Company.

The $A_g$ long-term credit rating of QDRH reflects Shibei District Government's very strong capacity to provide support and its extremely high willingness to provide support based on our assessment of the Company's characteristics. Our assessment of Shibei District Government's capacity to provide support reflects Shibei District's sound economic and fiscal strength, with a gross regional product ("GRP") exceeding RMB130.0 billion.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) key role in the industrial and urban development in Shibei District, (2) good track record of government support such as receiving shantytown assets and equity transfer, and (3) good access to diversified funding sources. However, the rating is constrained by the Company's (1) moderate exposure to commercial activities, and (2) increasing debt burden and moderate asset liquidity.

## Corporate Profile

Established in 2019, QDRH is one of the primary local urban construction and operation entities that focuses on urban investment and operations, as well as industrial services in Shibei District, Qingdao City. QDRH is engaged in land consolidation and development, infrastructure construction and shantytown development in Shibei District. It also undertakes commercial activities such as property development, property leasing, trading and financial investment. As of 31 March 2026, QDRH was 90.0% owned by the State-owned Assets Operation and Development Center of Qingdao Shibei District ("Shibei SAODC") and 10.0% owned by the Shandong Caixin Asset Operating Co., Ltd. Its ultimate controller was the Shibei SAODC.

## Rating Rationale

### Credit Strengths

**Strong strategic position as the key urban developer in Shibei District.** QDRH is one of the primary urban construction and operation entities in Shibei District, with a strong strategic position under the local government's planning. SBCI is positioned as an urban operator that specializes in urban renewal, investment and operations. It is responsible for land consolidation and secondary development such as construction of factories, office buildings and commercial development in Shibei District.

**Good track record of receiving government support.** As a major entity undertaking public activities in Shibei District, QDRH has a solid track record of receiving government support in various forms, including capital and asset injections, financial subsidies, and government payments for construction projects. Since its establishment, the Shibei District Government has transferred equity in several companies to the Company, thereby expanding the Company's business scope and strengthening its capital base. The Company is expected to continuously receive government payments for its land consolidation and construction activities. Apart from that, the local government continued to provide financial support to alleviate the Company's financing pressure, including injecting special bond funds and project initial funds, as well as on-lending loans for the shantytown projects from China Development Bank.

**Good access to diversified funding sources.** The Company's large investment needs and short-term debt pressure could be partially supported by its good refinancing ability. QDRH has good access to various sources of funding, including banks and the bond market. It has maintained good relationships with large domestic banks, including national joint-stock commercial banks and state-owned large commercial banks. QDRH is also active in onshore debt capital market. In addition, QDRH maintained a relatively low exposure to non-standard financing.

### Credit Challenges

**Moderate exposure to commercial activities.** QDRH is engaged in diversified commercial activities including trading business, property development, property leasing and financial investment. While the commercial activities generate supplemental income, they may also pose higher operating and business risks than traditional infrastructure construction business. QDRH relies on external financing to support the development of its commercial activities. Based on our assessment, the Company's exposure to commercial business remained moderate, with commercial assets accounting for approximately 30% of total assets as of end-March 2026.

**Increasing debt burden and moderate asset liquidity.** QDRH's debt burden has been increasing over the past years, as the businesses expand. In addition, the liquidity profile remained weak. Considering the ongoing investment in projects under construction and increase in investment in commercial activities, such as commercial building construction and financial investment, we expect the Company may rely on external financing and its total debt level will continue to increase in the next 12 to 18 months.

## Rating Outlook

The stable outlook on QDRH's rating reflects our expectation that Shibei District Government's capacity to provide support will be stable, and the Company will maintain its key role in industrial and urban development in Shibei District over the next 12 to 18 months.

**What could upgrade the rating?**

The rating could be upgraded if (1) Shibei District Government's capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to support such as reduced exposure to commercial activities, or improved debt management.

**What could downgrade the rating?**

The rating could be downgraded if (1) Shibei District 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 reduction in the importance of its policy role, or a deterioration in its financing ability.

## 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

CCXAP's Rating Symbols and Definitions are available on its website at:
http://www.ccxap.com/en/rating_services/category/6/

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:
http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Jessica Cao
*Credit Analyst*
+852-2860 7128
jessica_cao@ccxap.com

Elle Hu

*Executive Director of Credit Ratings*
+852-2860 7120
elle_hu@ccxap.com

Client Services: +852-2860 7111

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP’s publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP’s publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

**China Chengxin (Asia Pacific) Credit Ratings Company Limited**

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656