

Credit Opinion

17 October 2025

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB _g
Outlook	Stable

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Jiangsu Ruihai Investment Holding Group Co., Ltd.

Surveillance credit rating report

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

Summary

The BBB_g long-term credit rating of Jiangsu Ruihai Investment Holding Group Co., Ltd. (“JRIH” or the “Company”) 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”).

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.

Rating Drivers

- High strategic role in land development and affordable housing in Hai'an City
- Medium risk exposure to commercial activities
- Moderating debt growth, but high leverage and weak asset liquidity
- Track record of receiving government support
- Diversified and stable sources of funding
- Medium exposure to external guarantees provided to local SOEs

Rating Sensitivities

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.

Key Indicators

	2022FY	2023FY	2024FY	2025H1
Total Assets (RMB billion)	52.6	55.4	57.1	56.1
Total Equity (RMB billion)	16.7	16.9	16.0	16.0
Total Revenue (RMB billion)	3.6	1.5	1.5	1.4
Total Debt/Total Capital (%)	63.7	66.5	67.6	68.3

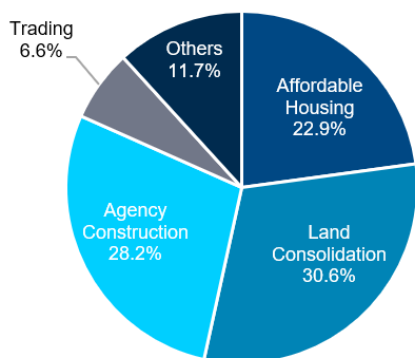
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

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").

Exhibit 1. Revenue structure in 2024



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that Hai'an City Government has a very strong capacity to provide support as one of the National Top 100 Counties for economy competitiveness, with strong geographic advantages and industrial development, while it has moderate fiscal metrics and debt profile.

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 GRP, after Guangdong Province. In 2024, its total GRP amounted to RMB13.7 trillion, a year-over-year ("YoY") increase of 5.8%. The GRP per capita for the same period was RMB160,694, ranking top among all provinces in China. In the first half of 2025, Jiangsu Province's GRP reached RMB6.7 trillion, a YoY increase of 5.7%.

Located in the south of Jiangsu Province, Nantong City is an economic center and a modern port city on the north shore of the Yangtze River Delta. On the back of its port resources and location advantages, Nantong City has developed six core industrial sectors, including shipbuilding and marine equipment, textile and garment, electronic information, new materials, high-end equipment, and new energy. Nantong's GRP reached RMB1.2 trillion in 2024, ranking fourth among the prefecture-level cities in Jiangsu Province. In the first half of 2025, Nantong City recorded a GRP of RMB658.1 billion, a YoY increase of 5.8%. Nantong Municipal Government's fiscal indicators showed a continued improvement given the improved self-sufficiency ratio (general budgetary revenue/general budgetary expenditure) and good revenue generating ability. It reported a general budgetary revenue of RMB70.1 billion in 2024, of which tax revenue accounted for over 70% of general budgetary revenue on average over the past three years. Its fiscal self-sufficiency ratio was 56.8% on average over the past three years. The government fund budget revenue is an important supplement to fiscal revenue. However, affected by the slowdown of the real estate and land market conditions, the government fund revenue continued to decline to RMB83.5 billion in 2024. As of 31 December 2024, Nantong Municipal Government's outstanding debt amounted to RMB261.6 billion, accounting for 21.1% of GRP.

Exhibit 2. Key economic and fiscal indicators of Nantong City

	2022FY	2023FY	2024FY
GRP (RMB billion)	1,138.0	1,180.0	1,242.2
GRP Growth (%)	2.1	5.8	6.2
General Budgetary Revenue (RMB billion)	61.3	68.0	70.1
General Budgetary Expenditure (RMB billion)	114.7	118.1	117.9
Local Government Debt (RMB billion)	197.9	213.0	261.6

Source: Statistic Bureau of Nantong City, CCXAP research

Hai'an City is adjacent to the Yellow Sea to the east and facing the Yangtze River to the south. Hai'an City is one of the county-level cities under the administration of Nantong City with a good industrial base and economic development conditions. It has developed textile and garment, electrical machinery, general equipment and chemical fiber industry as its pillar industries. The number of industrial-scale enterprises and the number of enterprises with a scale over RMB100 billion in Hai'an City were both at the forefront in Jiangsu Province. In 2024, Hai'an City's achieved a GRP of RMB150.7 billion, representing a YoY increase of 6.0%. In the first half of 2025, the GRP of Hai'an City increased by 5.7% YoY to RMB79.5 billion. In addition, the general budgetary revenue increased to RMB7.4 billion from RMB7.1 billion in 2023 while its tax revenue decreasing to RMB5.6 billion from RMB5.8 billion in 2023. The 3-year average fiscal stability (tax/general budgetary revenue) was 74.9%, indicating a relatively strong revenue-generating ability. Hai'an City Government's fiscal metrics and debt profile remained moderate as the average fiscal balance ratio (general budgetary revenue/ general budgetary expenditure) was 50.0% over the past three years, indicating high reliance on support from high-tier governments. In addition, the local government's direct debt kept increasing and reached around RMB28.8 billion as of the end of 2024, accounting for about 19.1% of GRP.

Exhibit 3. Key economic and fiscal indicators of Hai'an City

	2022FY	2023FY	2024FY
GRP (RMB billion)	138.0	143.6	150.7
GRP Growth (%)	1.8	6.0	6.0
General Budgetary Revenue (RMB billion)	6.6	7.1	7.4
General Budgetary Expenditure (RMB billion)	14.0	14.0	14.2
Local Government Debt (RMB billion)	22.9	24.7	28.8

Source: Statistic Bureau of Hai'an City, CCXAP research

Established in 2013, Logistics Zone is a provincial logistics park located in the north of Hai'an City, where the "road, railway and water" transportation facilities are concentrated. It is one of the two provincial-level comprehensive transportation hubs located in the county-level city approved by Jiangsu Province, positioning to serve the development of Yangtze River Delta integration and coastal area. The Logistics Zone is planned to lay out the industry pattern including four major functional platforms (multimodal transport, bonded logistics, futures delivery and spot trade) and six major material distribution centers (non-ferrous metals, plastic raw materials, textile raw materials, grain, wood and cold chain logistics). Major large enterprises in the Logistics Zone include Hai'an Tielian Logistics Co., Ltd., Hai'an Bonded Logistics Center Co., Ltd. and Jiangsu Hai'an Fengshan Port Co., Ltd.

Government's Willingness to Provide Support**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. It has a strong role in the construction and sales of local affordable housing in the urban area of Hai'an City and the development of the Logistics Zone. It mainly undertakes the affordable housing and land consolidation business primarily through its fully-owned subsidiaries, Hai'an Reconstruction, and undertakes the land development and infrastructure construction in the Logistics Zone primarily through Hai'an Trade Logistics.

Hai'an Reconstruction is mandated by the local government to undertake urban housing demolition and relocation of residents, which is aligned with China's national housing policy in offering more affordable housing and promoting common prosperity. Generally, approximately 85% of the affordable housings built by the Company are sold to designated occupants at government-guided prices, with the remaining 15% sold as commercial housing at market prices. As of 31 December 2024, Hai'an Reconstruction has completed 4 key affordable housing projects, with a total investment of RMB5.9 billion and realized income of RMB4.0 billion. Meanwhile, Hai'an Reconstruction had 3 affordable housing projects under construction, with a total investment of RMB2.6 billion and an outstanding amount of RMB764.0 million; one planning affordable housing project with estimated investment of RMB360.0 million. The completed affordable housing units are mainly sold to residents who are affected by urban renewals. However, the destocking progress of the Company's completed affordable housing is relatively slow and is susceptible to downturns in the property market. Moreover, Hai'an Reconstruction has 2 land clearance projects under construction with an investment of RMB10.0 billion and an outstanding amount of RMB4.3 billion. The Company's sufficient reserves of affordable housing land demolition projects ensure good sustainability of the business, but this may bring certain investment and financing pressure.

JRIH is also responsible for the land development and infrastructure construction of the Logistics Zone through Hai'an Trade Logistics. The Logistics Zone is one of the key provincial-level industrial parks in Jiangsu Province to promote the development of the local logistics industry. Hai'an Trade Logistics entered into construction agreements with SOEs under the Management Committee of Logistics Zone, stipulating that project costs are reimbursed with a profit margin of 11.5%-12.0%. As of 31 December 2024, Hai'an Trade Logistics had a land consolidation project under progress with a total investment of RMB1.3 billion and an uninvested amount of RMB834.0 million. Meanwhile, Hai'an Trade Logistics had 2 key infrastructure construction projects under construction with a total investment amount of RMB1.5 billion and an uninvested amount of RMB1.2 billion.

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.

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.

Apart from the affordable housing business, the Company engaged in the commercial housing business in the form of equity participation and self-developed. As of 31 December 2024, the Company had a commercial housing project under construction with an estimated total investment of RMB1.8 billion and an outstanding amount of RMB1.0 billion. In addition, JRIH is allowed to sell some affordable housing on the open market after meeting the needs of relocated residents affected by the removal and resettlement projects, which helps partially

compensate for the cost of urban renewal projects. However, the property sales are easily affected by the local market conditions, bringing more operating uncertainties and financial risks to the Company during the property market downturn.

Leveraging its position advantages in the Logistics Zone, Hai'an Trade Logistics also engages in complementary trading and cargo transportation businesses. While the overall revenue remains modest, these businesses have grown with the expanding scale in recent years, having positive contribution to both revenue and profit of the Company. Traded products primarily include non-ferrous metals, cotton yarn, and steel. In 2024, the trading and cargo transportation segment revenue grew to around RMB158.0 million, accounting for less than 15% of total revenue.

The Company is also developing several self-operated projects related to port and logistics operations, with the aim of providing supporting services to tenants within the Logistics Zone. As of end-2024, its pipeline of projects under construction and planning—including warehousing facilities at the port, a cold-chain logistics center, and talent apartments—involved total investment of approximately RMB 360.0 million. However, the future revenue of warehousing projects faces some uncertainty as it's subject to macroeconomic trends and fluctuations in market demand.

Moderating debt growth, but high leverage and weak asset liquidity

JRIH's debt growth has been moderating under proactive management, but its leverage ratio remained high. Its total debt increased from RMB33.5 billion at end-2023 to RMB34.5 billion as of 30 June 2025. Over the same period, the Company's total capitalization ratio, measured by total debt over total capital, increased to 68.3%. The Company's short-term debt pressure has increased, with the proportion of short-term debt rising from 21.3% at end-2023 to 31.0% as of 30 June 2025. At the same time, 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.

JRIH's asset liquidity is moderately weak as the Company has a large number of current assets with less liquidity. As of 30 June 2025, the Company's inventory, accounts receivables and other receivables accounted for more than 70% of the total assets, which are considered to be less liquid. Inventory is primarily development costs. Most of the receivables include current accounts, advance payments and deposits from the local governments and SOEs, and the schedule of repayment depends largely on financial strength of Hai'an Municipal Government and land market conditions. Moreover, as of same date, the value of the Company's restricted assets was RMB5.7 billion, accounting for 10.2% of the total assets, mainly including cash, intangible assets, inventories and investment properties. The investment properties consist of a large amount of transferable land while most of them are restricted, which may reduce the Company's financial flexibility.

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. In 2024, the local government injected capital of RMB280.0 million in cash into the Company, further enhancing its capital strength. The Company also received fiscal allocation and special funds totaling RMB290.0 million. In order to support the Company's operation and provision of public services such as land consolidation and affordable housing, the local government also continued to provide financial subsidies of RMB576.0 million in total from 2024 to 30 June 2025.

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. The government repayments for JRIH's land consolidation business and infrastructure construction business depend on the local government's arrangement and fiscal revenue of the year. The payment period for most of its public projects is long and project payments may be negatively affected by the moderating local land sales activities and the pressure of economic downturn. As of the end of 2024, the Company still had large projects unsettled, mainly the land consolidation projects, and has not yet received payments from the local government.

In 2024, as part of a broader reorganization of local government assets, the Company completed the divestment of its cultural tourism subsidiary, Hai'an Ruihai Cultural Tourism Development Co., Ltd. ("RHCT"), through a non-consideration transfer to the Hai'an SAMC. Concurrently, the Company injected a cultural art center asset, which carried a book value of RMB724.0 million, into RHCT. While this transaction streamlines the Company's operational focus and removes tourism-related activities from its scope, we do not expect its support from the government to be diminished, underpinned by 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. As of 30 June 2025, the Company's total credit facilities were RMB19.7 billion, of which the unutilized amount was RMB899.0 million. The Company had limited standby liquidity buffer from its credit facilities while facing a relatively large capital expenditure pressure. The Company and its subsidiaries had a track record of accessing to both onshore and offshore debt markets. For instance, the Company issued a tranche of 3-year PPN, raising RMB720.0 million in April 2025 with a coupon rate of 2.47%. 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, mainly trust and financial leases, accounting for around 10.0% of its total debts.

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. As of 30 June 2025, its external guarantees increased to RMB14.0 billion, accounting for over 85.0% of its net assets. 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.

ESG Considerations

JRIH bears environmental risks through its infrastructure projects. Such risks could be moderated by conducting environmental studies and detailed planning before the commencement of projects and close supervision during construction.

The Company is also exposed to social risks as a public service provider in Hai'an City. Demographic changes, public awareness, and social priorities shape the government's target for JRIH, or affect the government's propensity to support the Company.

JRIH's governance considerations are also material as the Company is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity.

Rating Methodology

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

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