

## **CCXAP affirms Jiangsu Hongye Holding Group Co., Ltd.'s long-term credit rating at BBB<sub>g-</sub>, with stable outlook.**

Hong Kong, 3 June 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Jiangsu Hongye Holding Group Co., Ltd. (“JSHY” or the “Company”) at BBB<sub>g-</sub>, with stable outlook.

The BBB<sub>g-</sub> long-term credit rating of Jiangsu Hongye Holding Group Co., Ltd. (“JSHY” or the “Company”) reflects the local government’s strong capacity to provide support, and 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 the Suqian Economic Technology Development Zone’s (“Suqian ETDZ”) important role in industrial development as a national-level ETDZ in Suqian City, combined with fast economic growth and good emerging industries foundations. However, it has a relatively small economic scale in Suqian City.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) position as a comprehensive service operator for industrial investment and development in Suqian ETDZ; and (2) track of receiving government support. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities, with large investment needs in industrial construction and uncertainty in project returns; and (2) moderate financing channels.

### **Corporate Profile**

Established in 2013, JSHY is one of the important local state-owned enterprises in Suqian ETDZ, Suqian City, and is positioned as a comprehensive service operator for industrial investment and development in Suqian ETDZ. In October 2023, JSHY experienced an ownership structure change promoted by the Management Committee of Suqian ETDZ. The shares of the Company were transferred to the Management Committee of Suqian ETDZ; and its former parent company, Suqian Economic Development Industry Investment Group Co., Ltd. (“SQII”), became a wholly-owned subsidiary of the Company. SQII has been mainly responsible for industrial estate development in the ETDZ since then. JSHY has four business segments which include industrial estate, industrial park supporting services, industrial supporting facilities and industrial investment, respectively. As of 31 March 2026, the Management Committee of Suqian ETDZ fully and directly owned the Company.

In June 2023, with the aim of supporting the development and growth of the Company, the Management Committee of Suqian ETDZ agreed to transfer 51% of the stakes of three state-owned companies holding industrial resources to the Company. The official alteration of registration has been completed as of 30 June 2024.

## Rating Rationale

### Credit Strengths

**Position as a comprehensive service operator for industrial investment and development in Suqian ETDZ.** JSHY is positioned as a comprehensive service operator for industrial investment and development in Suqian ETDZ. JSHY focuses on the construction and operation of industrial estate, building and supporting facilities in Suqian ETDZ according to the planning of the Management Committee of Suqian ETDZ, which is conducive to the investment promotion and industrial development of Suqian ETDZ. Most of JSHY's assets have already been leased to enterprises located in Suqian EDTZ and there were several industrial park projects under construction. JSHY also provides professional services for settled enterprises such as security services, financial and taxation services, and human resource services, which continuously optimize the regional business environment within Suqian ETDZ. Besides, the Company will develop supporting facilities such as photovoltaic power generation, water supply and sewage treatment which helps promote the low-carbon greening transformation of Suqian ETDZ.

**Track record of receiving government support.** JSHY has a track record in receiving government support mainly in terms of capital injection and equity transfer. The Management Committee of Suqian ETDZ has transferred the majority of the leasing assets to the Company, through the equity transfer in 2023. In 2025, the Company also received a cash capital injection of RMB100.0 million and government subsidies of RMB10,000. Apart from that, as most of the Company's construction projects are in line with the local government's development plan, it has received support from the government's special funds for project construction.

### Credit Challenges

**Medium risk exposure to commercial activities.** JSHY is exposed to business risk from its commercial activities which are mainly industrial park construction and operation, professional services as well as industrial supporting facilities. Based on our assessment, such businesses contribute to around 30% of the Company's total assets. The construction and operation of the industrial parks and self-operated industrial supporting projects represent a large contribution to JSHY's revenue and profit. The Company is engaged in such business under the local government's overall planning, aiming to promote investment attraction. As of 31 December 2025, the Company has three self-operated projects under construction with a total investment of RMB2.0 billion and the remaining investment of RMB582.0 million. In addition, JSHY had 12 construction projects under planning with the total investment amount of RMB1.9 billion, which mainly included standard factories, facility upgrade and renovation projects. We consider the risk exposure to commercial activities is considered as medium reflecting the Company's prudent measures in engaging and managing such businesses. However, influenced by factors such as the progress of investment attraction, external environment and policies, the capital recovery cycle for self-operated projects is typically long.

**Increasing debt level driven by construction projects financing.** Due to the ongoing financing for its construction projects in recent years, JSHY demonstrates a rapid debt growth.

JSHY's total debt increased to RMB7.9 billion at the end of 2025, from RMB4.4 billion at end-2023. The capitalization ratio, as measured by total debt to total capital, increased to 49.1% from 34.6% during the same period. JSHY's debt structure is reasonable as short-term debt accounted for approximately 21.4% of the total debt. Considering the ongoing investment of the Company, we expect that it still needs to rely on external financings to meet its capital expenditure needs and the debt will continue to increase in the next 12-18 months.

**Moderate access to funding channels.** JSHY has moderate access to funding and relies highly on indirect financing and secured debt with a limited track record in accessing the domestic debt market at present. As of 31 December 2025, the Company's bank loans accounted for around 95% of the total debt and the remaining was non-standard financing products. Moreover, its relatively weak asset liquidity may limit its financial flexibility. The Company's total assets mainly consist of inventories, other receivables and investment properties, accounting for more than 85% of its total assets.

### Rating Outlook

The stable outlook on JSHY's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its important position in Suqian ETDZ 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; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as a decrease in commercial activities exposure and diversified financing channels.

#### 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 materially increased exposure to commercial activities or a deterioration in its 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

CCXAP's Rating Symbols and Definitions are available on its website at:  
[http://www.ccxap.com/en/rating\\_services/category/6/](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/](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](http://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.

Eddie Li

*Credit Analyst*

+852-2860 7130

[eddie\\_li@ccxap.com](mailto:eddie_li@ccxap.com)

Elle Hu

*Executive Director of Credit Ratings*

+852-2860 7120

[elle\\_hu@ccxap.com](mailto:elle_hu@ccxap.com)

Client Services: +852-2860 7111



Copyright © 2026 China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

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](http://www.ccxap.com)

Email: [info@ccxap.com](mailto:info@ccxap.com)

Tel: +852-2860 7111

Fax: +852-2868 0656