Credit Opinion

16 November 2026

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB_g+
Outlook	Stable

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Rudong County Jinxin Transportation Engineering Construction Investment Co., Ltd.

Initial credit rating report

CCXAP assigns the first-time long-term credit rating of BBB_g+ to Rudong County Jinxin Transportation Engineering Construction Investment Co., Ltd., with stable outlook.

Summary

The BBB_g+ long-term credit rating of Rudong County Jinxin Transportation Engineering Construction Investment Co., Ltd. ("RDTI" or the "Company") reflects Rudong County Government's (1) very strong capacity to provide support; and (2) very high willingness to provide support, based on our assessment of the Company's characteristics.

Our assessment of Rudong County Government's capacity to provide support reflects the Rudong County's sizeable economy, continued economic growth and improving general budgetary revenue. It ranked 28th among the Top 100 Counties in China in 2025, with a moderate fiscal balance ratio.

The rating also reflects the local government's willingness to provide support, based on the Company's (1) status wholly and directly owned by the Rudong County Government; (2) role as the key transport infrastructure investment, construction and operating platform in the county; and (3) track record of receiving operating subsidies and government-related asset injections.

However, the rating is constrained by the Company's (1) weak asset liquidity and high short-term refinancing pressure; and (2) moderate contingent liability risk from external guarantees.

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

Rating Drivers

- Key transport infrastructure platform with a strong functional position
- Low but increasing commercial exposure
- Track record of ongoing government support
- Weak asset liquidity and high short-term refinancing pressure
- Diversified financing channels but moderate exposure to non-standard financing
- Moderate contingent liability risk from external guarantees

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as decrease in exposure to external guarantees or improvement in assets liquidity.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as material deterioration in strategic position or refinancing access.

Key Indicators

	2023FY	2024FY	2025FY	2026H1
Total Asset (RMB billion)	59.7	63.4	64.2	68.1
Total Equity (RMB billion)	31.7	31.6	34.5	34.7
Total Revenue (RMB billion)	1.0	0.9	0.9	0.2
Total Debt/Total Capital (%)	43.5	46.0	43.6	44.3

All ratios and figures are calculated using CCXAP's adjustments

Source: Company data, CCXAP research

Corporate Profile

Founded in 2007, RDTI is one of the key local infrastructure investment and financing companies ("LIIFCs") in Rudong County, Nantong City. The Company primarily undertakes transportation infrastructure construction and resettlement-housing development. It also engages in land transfer, property leasing, and greening maintenance. As of 30 June 2026, the Company was directly and wholly owned by the Investment Management Office of Rudong County.

Exhibit 1. Revenue structure in 2025

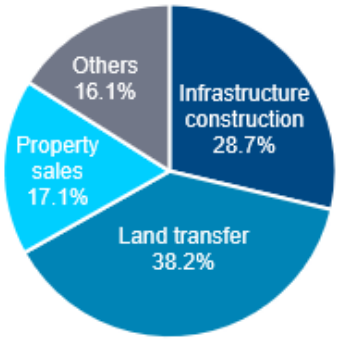
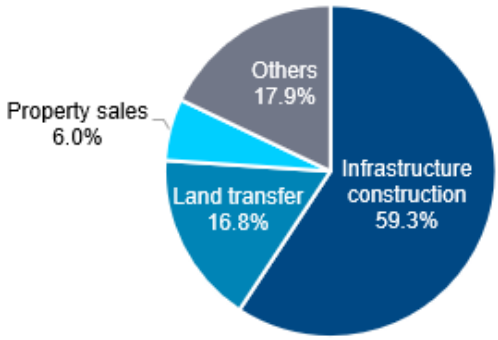


Exhibit 2. Gross profit structure in 2025



Source: Company information, CCXAP research

Exhibit 3. Shareholding structure as of 30 June 2026



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that Rudong County Government has a very strong capacity to provide support. Rudong County has a sizeable and steadily growing economy and benefits from Nantong City's diversified manufacturing base and Jiangsu Province's strong regional fundamentals. However, Rudong County's fiscal profile is constrained by declining government-fund revenue and a relatively high direct-debt burden relative to fiscal resources.

Jiangsu Province is one of China's most economically developed provinces, ranking second nationally by GRP. Located in the Yangtze River Delta and along China's eastern coast, Jiangsu Province benefits from a well-developed manufacturing base, extensive transport infrastructure, strong private-sector activity and a diversified industrial structure. Its GRP increased from RMB12.8 trillion in 2023 to RMB14.2 trillion in 2025. General public-budget revenue increased to RMB1.0 trillion in 2025. The per capita GRP also ranked top among all provinces in China for years.

Exhibit 4. Key Economic and Fiscal Indicators of Jiangsu Province

	2023FY	2024FY	2025FY
GRP (RMB billion)	12,822.2	13,700.8	14,235.2
GRP Growth (%)	5.8	5.8	5.3
General Budgetary Revenue (RMB billion)	993.0	1,003.8	1,024.6
General Budgetary Expenditure (RMB billion)	1,524.2	1,529.4	1,519.0
Local Government Debt (RMB billion)	2,273.3	2,822.8	3,392.8

Source: Statistics Bureau of Jiangsu Province, CCXAP research

Nantong is a coastal prefecture-level city in southeastern Jiangsu and forms part of the Yangtze River Delta city cluster. Its economy is supported by advanced manufacturing, shipbuilding and marine engineering, textiles, new materials and port-related industries. Nantong City has strong economic strength, ranking 4th by GRP among prefecture-level cities in Jiangsu Province for 5 consecutive years. Nantong's GRP increased from RMB1.2 trillion in 2023 to RMB1.3 trillion in 2025, with YoY growth of 5.8%, 6.2% and 5.3%, respectively. In the first three quarters of 2026, Nantong City's GRP achieved RMB997.0 billion, an increase of 5.2% YoY. Nantong City's fiscal profile is characterized by good revenue-generating ability but moderate fiscal sufficiency. During the past three years, the average proportion of tax revenue in general budgetary revenue was 76.3% and the average fiscal balance ratio (general budgetary revenue to general budgetary expenditure) was 59.5%. Government-fund revenue declined from RMB98.3 billion to RMB76.9 billion over the same period. Direct government debt reached RMB333.8 billion at end-2025, equivalent to 26.1% of GRP.

Exhibit 5. Key Economic and Fiscal Indicators of Nantong City

	2023FY	2024FY	2025FY
GRP (RMB billion)	1,180.0	1,242.2	1,280.2
GRP Growth (%)	5.8	6.2	5.3
General Budgetary Revenue (RMB billion)	68.0	70.1	73.0
General Budgetary Expenditure (RMB billion)	118.1	117.9	118.9
Local Government Debt (RMB billion)	213.0	261.6	333.8

Source: Statistics Bureau of Nantong City, CCXAP research

Rudong County is located on the northern side of the Yangtze River estuary and has an extensive coastline and marine area. Its industrial base includes new energy, new materials, biotechnology and pharmaceuticals, intelligent equipment and environmental-protection industries. Rudong's GRP increased from RMB138.1 billion in 2023 to RMB147.1 billion in 2025, with annual growth of 6.5%, 5.8% and 5.3%, respectively. According to Zhongjun Institute, Rudong County ranked 28th among the Top 100 Counties in China in 2025. During the past three years, general budgetary revenue rose from RMB7.1 billion to RMB7.8 billion. During the same period, tax revenue represented 78.5% on average of general budgetary revenue, and the fiscal self-sufficiency ratio averaged at 52.7%, remained moderate, while government-fund revenue fell from RMB12.1 billion to RMB6.9 billion. Direct government debt increased to RMB34.0 billion at end-2025, equivalent to 23.1% of GRP.

Exhibit 6. Key Economic and Fiscal Indicators of Rudong County

	2023FY	2024FY	2025FY
GRP (RMB billion)	138.1	143.0	147.1
GRP Growth (%)	6.5	5.8	5.3
General Budgetary Revenue (RMB billion)	7.1	7.4	7.8
General Budgetary Expenditure (RMB billion)	14.7	13.9	13.8
Local Government Debt (RMB billion)	22.0	25.9	34.0

Source: Statistics Bureau of Rudong County, CCXAP research

Government's Willingness to Provide Support

Key transport infrastructure platform with a clear functional position

RDTI is one of the key LIIFCs and the sole platform undertaking transport infrastructure construction and development of Rudong County. Since its establishment, the Company has been designated to implement the Rudong County Government's plan to develop land and construct transport infrastructure. Given its unique positioning by the local government, the Company has strategic position to perform critical governmental

functions and is unlikely to be replaced by other SOEs in the near future. Meanwhile, the Company and its subsidiaries are important issuers in Rudong County in both the onshore and offshore debt capital markets, and the failure of the Company would pose significant reputational risk to the local government and undermine the financing environment of the region.

The Company undertakes transportation, municipal, water-related infrastructure, and resettlement housing projects under agency-construction arrangements. Depending on the commissioning party, it generally receives a service fee equivalent to 20%–30% of verified project costs. Infrastructure construction revenue remained stable at RMB279.0 million, RMB284.2 million and RMB271.5 million from 2023 to 2025, respectively. As of end-2025, the Company completed 4 major infrastructure projects involved aggregate investment of RMB4.6 billion, of which RMB3.6 billion had been collected. For resettlement housing, the Company completed 1 project, with a total investment of RMB1.5 billion and revenue of RMB161.0 million. The Company had no major project under construction and 1 proposed infrastructure project with planned investment of RMB0.6 billion as of 2026H1. While the limited project pipeline constrains longer-term growth, completed but unsettled projects should continue to support near-term revenue recognition. Nevertheless, the slow settlement of certain government-related projects results in sizeable project costs and receivables.

As the major entity for land consolidation and development in Rudong County, the Company has large scale of land use rights and realizes income from land transfer at the transfer price. The corresponding cost is the actual purchase price paid for the land and the total costs incurred in the process of land development and consolidation. The primarily counterparties of the land transfer are SOEs. From 2023 to 2025, the revenue from land transfer amounted to RMB500.0 million, RMB354.7 million and RMB360.7 million, respectively. At 30 June 2026, the Company held RMB19.1 billion of land under inventories and RMB5.6 billion of land classified as investment properties. However, the actual execution of land transfers is significantly influenced by market demand and planning.

Authorized by the Transport Bureau of Rudong County, the Company implements greening maintenance business. During the implementation of the project, the Company outsources the greening maintenance work to a professional greening maintenance company. Rudong County Government will pay certain maintenance fees to the Company at a certain percentage of the greening maintenance costs. As the scope of maintenance continues to expand, the Company's operating income from greening maintenance continues to grow, from RMB57.6 million in 2023 to RMB60.3 million in 2025.

Low but increasing commercial exposure

RDTI's commercial activities mainly include property leasing. The Company's exposure to commercial activities is considered to be low. The Company leases properties, land and sea-use rights, generating rental revenue of around RMB70.0 million annually in 2024 and 2025. Meanwhile, acting as an investor on behalf of Rudong County, the Company has invested in various expressway, bridge, and railway projects within Jiangsu Province, such as the Nantong Yanglu Railway Development and Construction Co., Ltd., with the total investment scale of approximately RMB1.0 billion. As the Company will be engaged in the further investment in transportation sector in Rudong County, such as low-altitude technology economy, the exposure to commercial activities is expected to increase in the future.

RDTI's trading business mainly involved logs and electronic products and has been suspended since 2024 amid the economic downturn. The Company previously owned a hotel asset, which generated hotel operating revenue of RMB53.0 million in 2023 and RMB57.0 million in 2024. In 2025, the Company transferred the hotel to another state-owned enterprise for RMB575.0 million and ceased hotel operations. The consideration has

not been fully collected; as of end-June 2026, the Company had received only RMB180 million as a down payment, leaving RMB395.0 million outstanding.

Track record of ongoing government support

RDTI has a track record of receiving government support through operating subsidies, asset injections and government-mandated project arrangements. It received government subsidies of RMB160.8 million, RMB148.5 million and RMB204.1 million in 2023, 2024 and 2025, respectively. Moreover, Rudong County Government has strengthened the Company's capital base through injections of land, sea-use rights, capital funds, property assets and subsidiary equity. The Company's capital reserve remained sizeable at RMB21.0 billion at end-2025 and mainly comprised government-contributed assets. The local government also continues to assign transportation-infrastructure and road-maintenance projects to the Company under cost-plus or agency-fee arrangements. The recurring subsidies, accumulated asset injections and continuing policy mandates demonstrate the Company's close integration with Rudong County Government and support our assessment of ongoing government support.

Weak asset liquidity and high short-term refinancing pressure

RDTI's asset liquidity is weak, given its large scale of land and receivables with long monetization periods. As of 30 June 2026, the Company's use of lands, recorded in inventories and investment properties, amounted to RMB24.8 billion and accounted for around 36.3% of the total assets. With no clear development plans in the near term and reliance on market demand for land transfers, these land holdings have relatively low liquidity. Meanwhile, the Company has significant receivables with local SOEs and development costs for the infrastructure projects. Since the timing of project settlement and payment collection is subject to uncertainty due to government disbursement schedules, the significant volume and long aging of accounts receivable place a substantial strain on the Company's capital, resulting in relatively weak overall asset liquidity. At end-2025, restricted assets totaled RMB8.5 billion, or 13.2% of total assets, including restricted cash, pledged inventory and investment properties. These characteristics limit the Company's ability to monetize assets quickly and reduce financial flexibility.

RDTI's total debt increased from RMB24.5 billion at end-2023 to RMB27.6 billion at end-June 2026, and the total capitalization ratio (total debt to total capital) was moderate at 44.3%. However, short-term debt accounted for 44.8% of total debt at end-June 2026. At end-June 2026, the Company's unrestricted cash to short-term-debt ratio was around 0.2x. Given continued investment and reliance on external funding for refinancing, we expect the Company's leverage to continue to increase in the near term. The relatively low asset liquidity and high short-term debt pressure constrain the Company's liquidity profile, while good access to funding and support from the local government help to alleviate this pressure.

Diversified financing channels but moderate exposure to non-standard financing

The Company has access to bank loans, domestic and offshore bonds and non-standard financing. As of 30 June 2026, bank loans, bonds, and non-standard financing accounted for 56.5%, 28.4%, and 15.1% of total debt, respectively. As of end-2025, total bank facilities were RMB17.6 billion, of which RMB3.4 billion was unused. The Company maintains access to both onshore and offshore bond markets, which is an important financing channel for the Company. As of the same date, the Company, together with its subsidiary, had outstanding offshore bonds amounting to USD599 million. Nevertheless, the Company had moderate exposure to non-standard financing, which was primarily trust and financial leasing. The short tenor and high costs of non-standard financing can expose the Company to higher liquidity risk and refinancing pressure.

Moderate contingent liability risk from external guarantees

The Company has medium contingent risk from external guarantee exposure. At end-2025, the total guaranteed balance was RMB19.8 billion, equivalent to 57.5% of total equity. All guaranteed entities were local SOEs, which expose the Company to substantial contingent liabilities. If a credit event occurs in the Rudong County, it may lead to large-scale cross-default. However, we believe that the contingent risk of the external guarantee is moderately controllable, considering that these local SOEs will receive support from the local government in a timely manner given their important position in respective regions.

ESG Considerations

RDTI faces environmental risks from transportation and municipal construction, greening maintenance and the operation or leasing of land and sea-use assets. Project approvals, construction safety, ecological protection and environmental compliance are material considerations. These risks are partly mitigated by government supervision and the Company's project-management arrangements.

The Company supports countywide transportation infrastructure, road maintenance, urban renewal and resettlement housing. Disruption to these activities could have social and reputational consequences, supporting the relevant governments' willingness to provide support.

Governance is material because the Company is fully government-owned and subject to policy-directed investment and government oversight. High related-party receivables and external guarantees require continued monitoring of risk controls, approval procedures and cash-flow transparency.

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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