

Credit Opinion

17 November 2025

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

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Jiangsu Gaokai Investment Development Group Co., Ltd.

Initial credit rating report

CCXAP assigns first-time long-term credit rating of BBB_g+ to Jiangsu Gaokai Investment Development Group Co., Ltd., with stable outlook.

Summary

The BBB_g long-term credit rating of Jiangsu Gaokai Investment Development Group Co., Ltd. ("JSGI" or the "Company") reflects (1) the Rugao City Government's very strong capacity to provide support; and (2) 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 Rugao City's position as one of the top 100 counties in China in terms of comprehensive strength, complemented by its record of sustained rapid economic growth.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) direct and full ownership by the Rugao City Government; (2) status as the core entity in the industrial park development and operation in Rugao City; and (3) good track record of receiving government support.

However, the rating is constrained by the Company's (1) increasing debt burden and moderate asset liquidity; and (2) medium exposure to contingent liabilities.

The stable outlook on JSGI' rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its important role in the development of Rugao City over the next 12-18 months.

Rating Drivers

- Key developer in Rugao City responsible for development and operation of industrial parks
- Low but increasing exposure to commercial activities
- Increasing debt burden and moderate asset liquidity
- Good access to indirect financing, with moderate non-standard financing exposure
- Solid government support such as ongoing capital injections and subsidies
- Medium exposure to contingent liabilities

Rating Sensitivities

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 improved debt management and financing capacity.

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 reduced policy significance or deteriorated debt management.

Key Indicators

	2022FY	2023FY	2024FY	2025Q3
Total Assets (RMB billion)	41.0	46.2	47.1	50.9
Total Equity (RMB billion)	18.3	18.7	19.1	19.4
Total Revenue (RMB billion)	2.9	1.6	1.6	1.3
Total Debt/Total Capital (%)	53.8	58.1	57.9	60.3

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

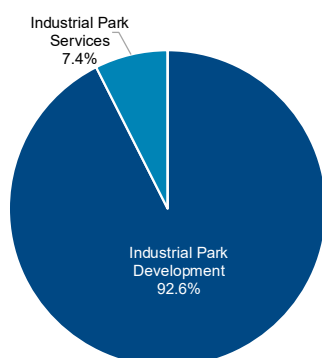
Source: Company data, CCXAP research

Corporate Profile

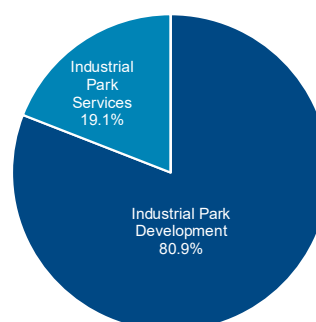
Established in 2015, JSGL is one of the key local infrastructure investment and financing companies ("LIIFCs") in Rugao City, Nantong City. It is designated as the primary developer for Rugao City's urban industrial parks, with a core focus on industrial park development, construction, and the provision of comprehensive services. The Company carries out its activities primarily through its subsidiaries, Nantong Gaoteng Construction Development Co., Ltd. ("GTCD") and Rugao Chengkong Investment Development Co., Ltd. ("RCID"). As of 30 September 2025, the Company was directly and wholly owned by the Rugao City Government which delegates the State-owned Asset Supervision and Administration Office of Rugao City ("Rugao SASAO") to act on its behalf to exercise the rights and perform the duties of the shareholder.

Exhibit 1. Shareholding chart as of 30 September 2025

Source: Company information, CCXAP research

Exhibit 2. Revenue structure in 2024

Source: Company information, CCXAP research

Exhibit 3. Gross profit structure in 2024**Rating Considerations****Government's Capacity to Provide Support**

We believe that the Rugao City Government has very strong capacity to provide support to the Company, based on its position as one of the top 100 counties in China in terms of comprehensive strength, complemented by its record of sustained rapid economic growth. However, Rugao City's fiscal balance ratio remains relatively low.

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 RMB160,694.0, ranking top among all provinces in China. In the first three quarters of 2025, Jiangsu Province achieved a GRP of RMB10.3 trillion, representing a YoY increase of 5.4%.

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 three quarters of 2025, Nantong City recorded a GRP of RMB978.9 billion, a YoY increase of 5.4%. 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 4. 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: Statistics Bureau of Nantong City, CCXAP research

Rugao City is under the jurisdiction of Nantong City. It has a solid industrial foundation, leveraging its riverside and coastal resources along with the locational advantages of the Yangtze River Delta. The industrial structure of Rugao City has been transformed and upgraded in recent years, forming leading industries such as intelligent equipment manufacturing, new energy vehicles, new materials, and third-generation semiconductors. In 2025, Rugao City ranked 20th in the CCID Top 100 Counties in China. In recent years, Rugao City's GRP increased steadily to RMB161.5 billion in 2024 from RMB147.9 billion in 2022. During the same period, its general budgetary revenue increased to RMB8.0 billion from RMB7.4 billion. Tax income accounted for around 77.2% on average of the general budgetary revenue over the past three years, representing a relatively stable revenue generating ability, while its fiscal self-sufficiency ability was moderate with an average fiscal balance ratio of 53.5% over the past three years. At the end of 2024, the local government's outstanding debt was RMB33.8 billion, accounting for 20.9% of GRP.

Exhibit 5. Key economic and fiscal indicators of Rugao City

	2022FY	2023FY	2024FY
GRP (RMB billion)	147.9	153.4	161.5
GRP Growth (%)	2.3	5.9	6.5
General Budgetary Revenue (RMB billion)	7.4	7.7	8.0
General Budgetary Expenditure (RMB billion)	13.6	14.6	14.9
Local Government Debt (RMB billion)	28.5	29.4	33.8

Source: Statistics Bureau of Rugao City, CCXAP research

Government's Willingness to Provide Support

Key developer in Rugao City responsible for development and operation of industrial parks

JSGL is the key developer in the development and operation of industrial parks in Rugao City, with clearly defined role among local state-owned enterprises. Its core activities, infrastructure construction of the industrial park and resettlement housing construction, aligns with the local government's development plans and supports regional economic growth. Meanwhile, as a key issuer of onshore and offshore bonds in Rugao City, any significant changes in its status or a default would severely impact the city's financing environment. We expect the Company's policy role to remain stable, with a low likelihood of being replaced in the foreseeable future.

JSGL has undertaken the majority of the industrial park construction projects through its subsidiaries in Rugao City, primarily under an agency construction model. Specifically, RCID is primarily responsible for the construction of resettlement housing and infrastructure within Rugao Industrial Park Zone (Rucheng Street),

and GTCD is primarily responsible for the demolition and resettlement of industrial parks, the construction of supporting infrastructure, and the demolition and resettlement of new rural plots within the Rugao Economic Development Zone (a national-level EDZ in Rugao City). The entrusting parties included the Rugao City Government, the Management Committee of Rugao Industrial Park Zone, and other state-owned enterprises in Rugao City. According to the construction agency agreement, JSGL and its subsidiaries are responsible for the financing and construction of the projects and receives project payments based on the actual costs plus a markup upon examination of the projects. The Company had completed a series of projects including resettlement housing, industrial park renovation, roads and supporting facilities in Rugao City. As of 31 December 2024, the Company had 9 key agency projects under construction, with a total investment of RMB7.3 billion and an outstanding amount of around RMB1.9 billion. At the same time, the Company has no project under planning. We consider that JSGL's sufficient projects on hand are supportive to its operational stability and continuity.

Low but increasing exposure to commercial activities

Apart from infrastructure construction, JSGL also engages in several commercial activities, mainly including self-operated projects, leasing, and other supporting services in the industrial parks. The Company's asset exposure to commercial activities is considered relatively low. The majority of the businesses, including the industrial park services and leasing business, are carried out based on the industrial park development, which are considered to carry low operation risk. Nevertheless, the Company will also invest in self-operated projects which are associated with higher investment and operation risks, and it is expected that the Company's future risk exposure will increase.

JSGL's self-operated projects primarily include industrial factories, resettlement housings, and R&D and production bases. Specifically, the industrial factories and production bases generate revenue primarily through sales or leasing, while the R&D project, which are operated in collaboration with Shanghai Motor Vehicle Inspection and Certification Technology Research Center Co., Ltd., is expected to generate returns via a revenue-sharing mechanism. Apart from the resettlement housings under the entrusted construction model, the Company is developing three resettlement housings project on a commercial basis, which are approved by the local government as part of regional redevelopment initiative. As of 31 December 2024, the total investment in the aforementioned projects under construction was RMB7.0 billion and uninvested amount was RMB3.9 billion. At the same time, the Company had 3 projects under planning with total estimated investment of RMB734.0 million, focusing on the healthcare and new energy sectors. Overall, the Company's self-operated projects are expected to place certain pressure on its capital expenditures, with future investment plans and operational cash flow representing key sources of uncertainty.

JSGL's industrial park services sector includes factory leasing, industrial sewage treatment, labor dispatch, and solar energy services. As the Company's self-operated industrial parks are gradually completed, the Company's factory leasing revenue has grown year by year, which achieved RMB54.0 million in 2024. In addition, the Company provides wastewater treatment, labor dispatch, and solar power generation services through subsidiaries, charging service fees to enterprises settled within the park. In 2024, the revenue from industrial park services increased from RMB74.9 million to RMB122.2 million. Overall, the Company's industrial park service sector carries relatively low commercial risk and demonstrates strong alignment with the development objectives of regional industrial parks.

Increasing debt burden and moderate asset liquidity

JSGL's debt continues to grow and has a relatively high financing leverage due to its capital-intensive and large-

scale construction projects in previous years. As of 30 September 2025, the Company's total debt increased to RMB29.5 billion from RMB21.2 billion at end-2022. Its capitalization ratio, as measured by total debt to total capital, also increased from 53.8% to 60.3% during the same period. In addition, there were refinancing needs for its short-term debt as the short-term debt accounted for 32.9% of total debt at the end of September 2025, and the cash to short-term debt ratio was around 0.5x. We expected the Company to rely on external financing to meet its capital expenditure and debt repayment and that the debt leverage will remain at a relatively high level in the next 12 to 18 months.

JSGL's asset liquidity is moderate. The Company's assets were primarily comprised of inventories, receivables accounts, and long-term equity investment, accounting for 78.9% of its total asset as of 30 September 2025. The Company's receivables are from other state-owned enterprises in the region while the inventories are mainly construction costs. The settlement of construction costs is delayed, and the collection periods for receivables face some uncertainties, resulting in relatively weak asset liquidity. The Company's long-term equity investments are primarily shares of other state-owned enterprises transferred from the local government. Moreover, As of 30 September 2025, JSGL's restricted assets accounted for 10.5% of the total assets, including cash, inventory and fixed assets.

Good access to indirect financing, with moderate non-standard financing exposure

JSGL has different funding access, including bank borrowings, onshore and offshore capital markets, which could partially release the pressure on debt repayment and capital expenditure. Bank borrowing is the major financing sources which accounts for over 80% of total debt. The Company maintains good relationships with large domestic banks such as policy banks and large state-owned commercial banks. As of 31 December 2024, the Company obtained total credit facilities of RMB23.2 billion, with an unutilized amount of around RMB4.8 billion, which was relatively insufficient to meet its investment needs for the projects currently under construction and planning. However, the Company's smooth access to banking channels may partially supports the refinancing of its maturing debts and investment requirements.

JSGL also has funding source in the onshore and offshore bond markets. In the first three quarters of 2025, the Company issued two 3-year bonds to refinance its existing offshore debt, totally raising RMB1.1 billion, with coupon rates of 4.25% to 3.1%, respectively. JSGL's exposure to non-standard financing products are mainly financing leasing and trusts with relatively high costs, accounting for around 15.0% of the total debts as of 30 September 2025.

Solid government support such as ongoing capital injections and subsidies

JSGL has a track record of receiving government support in the form of capital injections and financial subsidies. In 2020 and 2021, the government transferred equity shares of two state-owned enterprises to the Company, enhancing the Company's capital strength. Furthermore, from 2022 to 2024, the Company received stable government subsidies totaling RMB555.2 million. As the Company has signed agency agreements for industrial park development projects, the government would allocate the funds to the Company after the audit of projects. It is expected that the Company will receive government project repayments, given the large scale of receivables from the government and agency construction costs recorded in inventory, but there is a certain time lag. As of 31 December 2024, the Company has received project payments of RMB6.9 billion. Overall, we expect JSGL to receive ongoing government support in the next 12-18 months given its strategic role in Rugao City.

Medium exposure to contingent liabilities

JSGL's credit profile is constrained by its external guarantees, which could potentially increase its repayment obligations. As of 30 September 2025, the Company had outstanding external guarantees of RMB10.9 billion, representing 56.3% of its net assets. All of them were provided to local state-owned enterprises in Rugao City. While credit events could materialize into a contingent liability and pressure JSGL's credit quality, we view the overall risk as manageable considering the possible support from the Rugao City Government to the state-owned enterprises in times of need.

ESG Considerations

JSGL faces environmental risks because it has undertaken infrastructure construction projects. Such risks could be moderated by conducting environmental studies and planning prior to the start of the projects, and close monitoring during the construction phase.

JSGL bears social risks as it implements public policy initiatives by building public infrastructure in Rugao City. Demographic changes, public awareness and social priorities shape the Company's development targets and ultimately affect the local government's propensity to support the Company.

JSGL's governance considerations are also material as the Company is subject to oversight by the Rugao City Government and must meet several reporting requirements, 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 \(July 2022\)](#).

Appendix

Exhibit 6. Peer comparison

	Jiangsu Gaokai Investment Development Group Co., Ltd.	Fugang Construction Group Co., Ltd.
Long-Term Credit Rating	BBB _g +	BBB _g
Shareholder	Rugao City Government (100%)	Rugao City Government (93.69%); ICBC Financial Asset Investment Co., Ltd. (6.31%)
Positioning	Key developer in Rugao City responsible for development and operation of industrial parks	Integrated service provider of urban infrastructure and utilities in Rugao Port Area.
Total Assets (RMB billion)	47.1	24.0
Total Equity (RMB billion)	19.1	14.9
Total Revenue (RMB billion)	1.6	1.3
Total Debt/Total Capital (%)	57.9	60.9*

All ratios and figures are calculated using CCXAP's adjustments based on financial data as of 31 December 2024.

* The Total Debt/Total Capital Ratio of Fugang Construction Group Co., Ltd. is calculated based on financial data as of 30 September 2024.

Source: Company information, CCXAP research

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