

## Credit Opinion

15 June 2026

### Ratings

|                              |                               |
|------------------------------|-------------------------------|
| Senior Unsecured Debt Rating | BBB <sub>g</sub> <sup>+</sup> |
| Long-Term Credit Rating      | BBB <sub>g</sub> <sup>+</sup> |
| Outlook                      | Stable                        |
| Category                     | Corporate                     |
| Domicile                     | China                         |
| Rating Type                  | Solicited Rating              |

### Analyst Contacts

Amy Chen +852-2860 7127  
Credit Analyst  
[amy\\_chen@ccxap.com](mailto:amy_chen@ccxap.com)

Eddie Li +852-2860 7130  
Credit Analyst  
[eddie\\_li@ccxap.com](mailto:eddie_li@ccxap.com)

Elle Hu +852-2860 7120  
Executive Director of Credit Ratings  
[elle\\_hu@ccxap.com](mailto:elle_hu@ccxap.com)

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

### Client Services

Hong Kong +852-2860 7111

## Zhenjiang Transportation Industry Group Co., Ltd.

### Surveillance credit rating report

**CCXAP affirms Zhenjiang Transportation Industry Group Co., Ltd.'s long-term credit rating at BBB<sub>g</sub><sup>+</sup>, with stable outlook.**

### Summary

The BBB<sub>g</sub><sup>+</sup> long-term credit rating of Zhenjiang Transportation Industry Group Co., Ltd. (“ZJTI” or the “Company”) reflects Zhenjiang Municipal Government’s (1) very strong capacity to provide support; and (2) high willingness to provide support, based on our assessment of the Company’s characteristics.

Our assessment of Zhenjiang Municipal Government’s capacity to provide support reflects Zhenjiang City’s good industrial foundation, ongoing economic growth and moderate fiscal metrics.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) strong policy role in transportation infrastructure construction in Zhenjiang City; (2) good track record of receiving government payments; and (3) diversified and stable funding sources with declining financing costs.

However, the Company’s rating is constrained by its (1) moderate exposure to commercial activities; (2) high debt leverage with large short-term debt; and (3) high exposure to external guarantees, with certain contingent liability risk.

The stable outlook on ZJTI’s rating reflects our expectation that Zhenjiang Municipal Government’s capacity to provide support will remain stable, and the Company’s characteristics such as its primary role in transportation infrastructure construction will remain unchanged over the next 12 to 18 months.

## Rating Drivers

- Strong policy role in transportation infrastructure construction in Zhenjiang City
- Moderate sustainability for public-policy projects
- Moderate commercial risk exposure
- High debt leverage with large short-term debt
- Diversified and stable funding sources with declining financing costs
- Good track record of receiving government payments
- High exposure to external guarantees, with certain contingent liability risk

## Rating Sensitivities

### What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as a substantial reduction in external guarantees or improved debt management.

### 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 reduced strategic significance, decreased government payments or increased exposure to risky commercial activities.

## Key Indicators

|                              | 2023FY | 2024FY | 2025FY | 2026Q1 |
|------------------------------|--------|--------|--------|--------|
| Total Asset (RMB billion)    | 125.6  | 119.3  | 116.8  | 120.6  |
| Total Equity (RMB billion)   | 50.0   | 47.6   | 47.3   | 47.2   |
| Total Revenue (RMB billion)  | 7.4    | 7.1    | 5.9    | 1.6    |
| Total Debt/Total Capital (%) | 54.9   | 53.5   | 52.0   | 53.2   |

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

Source: Company data, CCXAP research

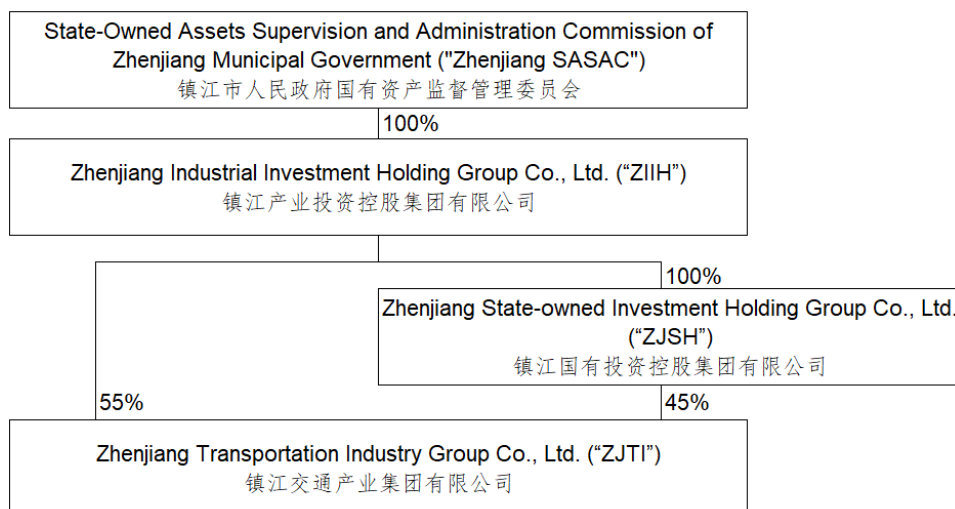
## Corporate Profile

Established in 1992, ZJTI is one of the key local infrastructure investment and financing companies ("LIIFCs") in Zhenjiang City, Jiangsu Province. Since its establishment, ZJTI has primarily focused on the development, construction and operations of transportation infrastructure, as well as resettlement housing construction and land development in Zhenjiang City. It has now subsequently expanded into other business areas, including comprehensive transportation infrastructure development and operations, raw materials trading, industrial park construction and operation, and port operations. During the reform of local state-owned enterprises, the Company has now formalized its three main responsibilities and businesses: transportation infrastructure, urban operation and integrated sanitation services.

In 2023, to further deepen state-owned enterprises reform, the Zhenjiang Municipal Government formed Zhenjiang Industrial Investment Holding Group Co., Ltd. ("ZIIH") and transferred its 55% and 100% equity interests in ZJTI and Zhenjiang State-owned Investment Holding Group Co., Ltd. ("ZJSH") to ZIIH without considerations. As of 31 March 2026, ZIIH directly held 55% and indirectly held 45% of the Company's shares

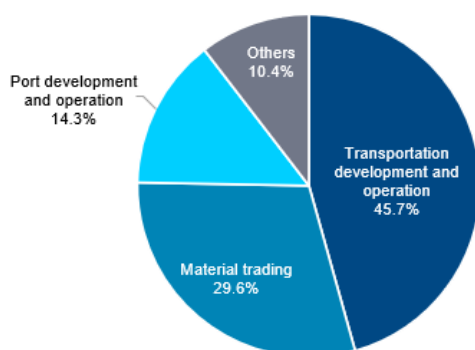
through ZJSH, with the State-Owned Assets Supervision and Administration Commission of Zhenjiang Municipal Government (“Zhenjiang SASAC”) remaining the ultimate controller.

### Exhibit 1. Shareholding chart as of 31 March 2026



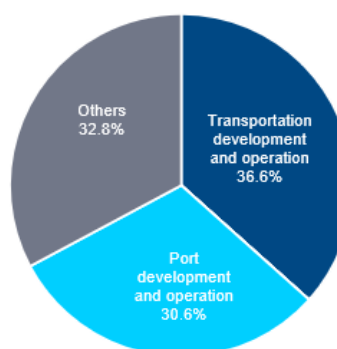
Source: Company information, CCXAP research

### Exhibit 2. Revenue structure in 2025



Source: Company information, CCXAP research

### Exhibit 3. Gross profit structure in 2025



## Rating Considerations

### Government's Capacity to Provide Support

We believe that Zhenjiang Municipal Government has a very strong capacity to provide support given its good industrial foundation, ongoing economic growth and moderate fiscal metrics.

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 gross regional product ("GRP"), after Guangdong Province. In 2025, its total GRP amounted to RMB14.2 trillion, a year-over-year ("YoY") increase of 5.3%. The GRP per capita for the same period was RMB166,961.7, ranking top among all provinces in China.

Zhenjiang City is a prefecture-level city under the jurisdiction of Jiangsu Province, located in the southwest part of Jiangsu Province. It is one of the core cities of the "Suzhou-Wuxi-Changzhou Economic Circle" and the "Nanjing Metropolitan Circle", and Zhenjiang port is the third-largest port along the Yangtze River. Zhenjiang

City has a good economic and industrial foundation. It is a key production area of glasses and vinegar in China and is currently developing emerging industries such as high-end equipment manufacturing and new material production. In 2025, Zhenjiang City's GRP grew by 5.4% YoY to RMB573.7 billion. Over the same period, the local government's general budgetary revenue increased to RMB33.9 billion. The average tax contribution over the past three years was 70.8%, indicating a strong revenue-generating ability. However, the fiscal sufficiency of Zhenjiang Municipal Government remained moderate, as reflected by its average self-sufficiency ratio (general budgetary revenue/general budgetary expenditure) over the past three years was 59.3%. Due to its moderate self-sufficiency, Zhenjiang City's has relied on land transfer income for fiscal balance. As of the end of 2025, the outstanding debt of the local government was RMB294.0 billion, accounting for about 51.2% of GRP.

#### Exhibit 4. Key economic and fiscal indicators of Zhenjiang City

|   | 2023FY | 2024FY | 2025FY |
|---|--------|--------|--------|
| GRP (RMB billion)                           | 526.4  | 554.0  | 573.7  |
| GRP Growth (%)                              | 6.3    | 5.9    | 5.4    |
| General Budgetary Revenue (RMB billion)     | 32.1   | 32.9   | 33.9   |
| General Budgetary Expenditure (RMB billion) | 53.4   | 56.6   | 56.8   |
| Local Government Debt (RMB billion)         | 245.9  | 269.3  | 294.0  |

Source: Zhenjiang Municipal Government, CCXAP research

### Government's Willingness to Provide Support

#### Strong policy role in transportation infrastructure construction of Zhenjiang City

The state-owned enterprises in Zhenjiang City have a clear functional position. As the principal entity for the construction and development of transportation infrastructure in Zhenjiang City as well as the sole land developer in the Guantang Innovation Community Area ("Guantang Area"), ZJTI has maintained strong strategic position in Zhenjiang City. In addition to local transportation infrastructure construction, it conducted numerous construction projects within the region, such as the land development in Guantang Area and resettlement housing construction. The Company's controlling holder, Zhenjiang Industrial Investment Holding Group Co., Ltd. ("ZIIH"), is the core platform for industrial investment in Zhenjiang and mainly responsible for state-owned capital operation, investment and financial services, transportation infrastructure construction, urban services and franchising. We consider the Company to be highly important for regional development and it is unlikely to be replaced by other LIIFCs in the near future, given its significant benefits to local economic and social development, such as improving the local transportation network and living environment.

#### Moderate sustainability for public-policy projects

ZJTI assumes the function to implement Zhenjiang Municipal Government's development strategy and planning, and is mandated to conduct various local public activities, including transportation infrastructure construction, land development, and resettlement housing construction. Due to the slowdown in local infrastructure demand and government planning, the Company's reserve for public-policy construction tasks has decreased in recent years, with moderate business sustainability. Nevertheless, the Company maintains its important role and expertise in expansion, redevelopment and improvement projects in Zhenjiang City.

ZJTI has historically undertaken a large number of transportation infrastructure construction projects in Zhenjiang City under the entrusted construction model. The Company has mostly completed the investments in the infrastructure projects under construction, with low future investment pressure. As of 31 March 2026, the

Company had invested a total of RMB12.3 billion into completed entrusted transportation projects; in terms of the projects under construction, it had invested RMB10.5 billion with an uninvested amount of RMB124.0 million. There were no entrusted construction projects under planning, that said, the Company broadened its transportation infrastructure construction business to the market-driven road and bridge engineering construction business. It continues to undertake major transportation projects within the region.

Besides, ZJTI is responsible for resettlement housing construction in Zhenjiang City pursuant to local resettlement housing plan. All the completed projects have been repurchased by the local government, with good payment collection. The total investment amount of the completed projects was RMB3.0 billion, and the payments totaling RMB3.0 billion were collected as of 31 March 2026. With years of development, the resettlement housing projects have been mostly completed, with low future investment pressure. The Company had only one resettlement housing project under construction, with an uninvested amount of RMB65.0 million. With no project under planning, the sustainability of business is subject to uncertainty.

ZJTI was appointed as the designated developer of Guantang Area, covering land consolidation projects and infrastructure construction within the region, with an estimated investment of RMB28.0 billion. The local government reimburses the Company's development costs based on the progress of the land grant after finishing. As of 31 March 2026, the Company had invested RMB26.0 billion in the development of Guantang Area, but the progress of land grants and repayments was slow, especially affected by changes in policies related to land market and real estate sector. As of 31 March 2026, the Company had 3,028.2 mu of land under development, with uninvested amount of RMB564.0 million.

### **Moderate commercial risk exposure**

ZJTI engages in diversified commercial activities such as trading, road and bridge construction services, inland terminal depot services, and industrial park construction and operation. While the commercial assets represent a modest portion of the Company's total assets (less than 10%), they introduce additional risk elements not typically associated with its core public service obligations, including counterparty risk and execution risk. We assess ZJTI's commercial risk as moderate, reflecting the current scale of these activities and the Company's future development plans.

ZJTI's raw materials trading business mainly includes trading of steel and chemical raw materials, with relatively low business risks as it is operated under a demand-driven model and downstream customers are relatively stable. To strengthen risk management, the Company has been actively compressing the material trading segment's scale since 2023, leading to a decline in revenue from RMB3.0 billion in 2024 to RMB1.7 billion in 2025. Meanwhile, the business faces certain concentration risks in procurement and sales. In 2025, purchases from the top five suppliers and sales to the top five customers together represented over 70% of total procurement and revenue.

ZJTI engaged in road and bridge engineering construction business through the subsidiary, namely Jiangsu Zhenjiang Road and Bridge Engineering Co., Ltd ("JSRB"), which obtained Premium Qualification for highway engineering construction general contracting in 2024. JSRB obtains engineering projects through public tendering and signs contracts with related asset owners. Most of its projects are based in Jiangsu Province, and will gradually expand to other provinces in Eastern China such as Zhejiang and Anhui Provinces. In 2025, the newly signed contract projects were mainly concentrated in Jiangsu Province, with a total amount of RMB1.7 billion. As of 31 March 2026, JSRB has sufficient project reserves with RMB7.6 billion of contract value under construction. Although this business segment has enriched ZJTI's revenue and has brought considerable profits

to the Company, the increasing project scale and advanced payment in construction projects have resulted in certain capital occupation.

Conducted by its subsidiary, Zhenjiang Port Development Group Co., Ltd., ZJTI has a strong franchise in its inland terminal depot services and has priority in the development of shoreline and land areas in Zhenjiang City. In recent years, port development and operation have become one of the Company's key segments. Its revenue reached RMB836.9 million in 2025, accounting for 14.2% of total revenue, with a relatively high gross profit margin of approximately 26%.

In addition, ZJTI takes part in the construction and operation of industrial parks. As of 31 March 2026, the Company had one industrial park project under construction with an investment amount of RMB450.0 million and an outstanding amount of RMB107.0 million. The project is expected to be repurchased by the commissioner after completion and the Company will earn a management fee with low commercial risks. Meanwhile, the Company had one industrial park project under planning with total estimated investment of RMB1.0 billion, which is expected to achieve fund balancing through management fee and leasing income.

### **Good track record of receiving government payments**

ZJTI has a solid track record of receiving government payments in various forms, including specific funds, financial subsidies, repurchase payments, and cash injections. The Company received ongoing financial subsidies from the government to support its road construction projects, amounting to RMB855.3 million from in 2025. The local government has also regularly made repurchase payments to the Company, including land development, infrastructure construction, and resettlement housing. In recent years, to help alleviate the Company's debt burden, the local government has provided it with several specific funds for debt resolution. In addition to these financial supports, the Zhenjiang Municipal Government allocates a large amount of land assets and grants the land development rights and land income rights to the Company. We expect the local government will continue to provide payment support to the Company over the next 12 to 18 months, given its strong public policy role and large scale of uncollected project payments.

### **High debt leverage with large short-term debt**

Along with the repayment of matured debts through government special funds and government payments, ZJTI's total debt burden demonstrated a declining trend over the past three years, yet its debt leverage remains high. The Company's total debt (including perpetual debt) decreased from RMB53.8 billion at end-2024 to RMB49.2 billion at end-2025, and the total capitalization ratio (total debt to total capital) decreased slightly from 53.5% to 52.0%. During the first quarter of 2026, the Company's total debt increased provisionally to RMB51.5 billion, primarily to reserve for the refinancing of debt maturing within a year. Meanwhile, the Company still has high short-term debt servicing pressure, with the short-term debt accounting for 45.0% of the total debt, and the cash to short-term debt ratio was 0.4x at end-2026Q1. With relatively large debt portfolio and the absence of effective debt reduction measures, we expect that its debt leverage is likely to remain at a relatively high level in the next 12 to 18 months.

ZJTI's asset liquidity is considered weak, which may undermine its financial flexibility. The Company's assets mainly consist of inventories and investment properties, totally accounting for 78.0% of total assets as of 31 March 2026, all with relatively low liquidity. The inventories are mainly development costs from construction projects, while the investment properties mainly consist of lands pending for sale. As of 31 March 2026, the Company's account receivables and other receivables together accounted for approximately 4.2% of total

assets. At the same time, the Company pledged a number of assets for loans, including lands and cash, with a total restricted amount of RMB21.5 billion, accounting for 17.8% of its total assets.

### **Diversified and stable funding sources with declining financing costs**

ZJTI has access to diversified financing channels including onshore and offshore capital markets, bank borrowing and non-standard financing, which could partially mitigate the Company's refinancing pressure. Bank loans and bond issuances accounted for the majority of its total debt, representing 46.3% and 26.3%, respectively. The Company has maintained a good relationship with policy banks, state-owned commercial banks, and joint-stock commercial banks such as Agricultural Development Bank of China, Industrial and Commercial Bank of China Limited. and Bank of Jiangsu Co., Ltd. As of 31 March 2026, it obtained total credit facilities of RMB48.2 billion, with available credit facilities of RMB15.2 billion, indicating sufficient liquidity buffer.

The Company also has an active track record of issuing various financial products in the domestic bond market such as private corporate bonds, SCPs, CPs, MTNs, and PPNs. With the favorable refinancing conditions, the Company financing costs continue to decline. In addition, the Company has a presence in the offshore debt capital market. In 2025, it issued a tranche of USD bond raising USD220.0 million for refinancing purpose at the coupon rate of 4.78%. As of 31 March 2026, the Company had a controllable exposure to non-standard financing products, which accounted for around 10.0% of its total debt.

### **Large exposure to external guarantees, with certain contingent liability risk**

ZJTI's credit profile is constrained by its large exposure to contingent liabilities. As of 31 March 2026, the Company's balance of the external guarantees was RMB23.4 billion, equivalent to 49.5% of its net assets. Most of these external guarantees are provided to other local LIIFCs or state-owned enterprises, and part of these guarantees have sufficient counter-guarantee measures. Considering the government support and counter-guarantee measures, the credit risk of these guarantees among local state-owned companies is moderately controllable.

However, ZJTI has provided RMB358.0 million in external guarantees for Jiangsu Traffic Engineering Group Co., Ltd., which is a state-owned enterprise in Jiangsu Province but has been listed as person subject to enforcement, and the guarantee has been set up with counter-guarantee measures. In addition, the Company compensated RMB154.0 million in external guarantees to two private-owned enterprises in 2016, yet only received a recovery payment of RMB5.0 million as of 31 March 2026.

## **ESG Considerations**

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

The Company is also exposed to social risks as a public services provider. Demographic changes, public awareness, and social priorities shape the government's target for ZJTI and affect the government's propensity to support the Company.

ZJTI'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.

## Structural Consideration

ZJTI's senior unsecured debts rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its strategic position in the development of Zhenjiang City, thereby mitigating any differences in an expected loss that could result from structural subordination.

## Rating Methodology

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

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