

## **CCXAP affirms Tianjin Jinnan State-owned Capital Investment and Operation Group Co., Ltd.'s long-term credit rating at BBB<sub>g</sub>, with stable outlook.**

Hong Kong, 24 December 2025 -- China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed Tianjin Jinnan State-owned Capital Investment and Operation Group Co., Ltd.'s ("JNSI" or the "Company") long-term credit rating at BBB<sub>g</sub>, with stable outlook.

The BBB<sub>g</sub> long-term credit rating of JNSI reflects (1) Jinnan District Government's 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 Jinnan District's status as the one of the four districts surrounding the urban area of Tianjin with good industrial fundamentals. However, its fiscal self-sufficiency is moderate.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) strong strategic position as the most important integrated urban operation service provider in Jinnan District; (2) essential role in infrastructure construction and resettlement housing in the model towns of Jinnan District; 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; (2) moderate access to funding; and (3) medium level of contingent risks.

### **Corporate Profile**

Established in February 2024, JNSI is the most important local infrastructure investment and financing company ("LIIFC") in Jinnan District. The Company consolidated several local state-owned enterprises ("SOEs") through equity transfers in 2023, solidifying its functional positioning as an urban service provider. As of 30 September 2025, the State-owned Assets Supervision and Administration Office of Jinnan District, Tianjin ("Jinnan SASAO") directly held 100.0% of the Company's shares. JNSI has undertaken the functions of urban operation, infrastructure construction and resettlement housing in most of the model towns in Jinnan District. It is also involved in commercial businesses including industrial investment, asset operation and trading.

### **Rating Rationale**

#### **Credit Strengths**

**Strong strategic position as the most important integrated urban operation service provider in Jinnan District.** Under the management of Jinnan District Government, there are a small number of LIIFCs in Jinnan District with a high degree of functional concentration. Among them, JNSI is a core entity with the largest asset scale in investment and operation of infrastructure construction in Jinnan District. The Company is mainly responsible for the construction of resettlement housing and infrastructure in most of the model towns in Jinnan District.

**Essential role in infrastructure construction and resettlement housing in Jinnan District.**

JNSI's primary public activities include construction projects for resettlement housing and infrastructure construction in Jinnan District, based on the local government's investment promotion plans. These projects cover the core areas of Jinnan District and are essential to local economic development.

**Good track record of receiving government support.** JNSI has a track record of receiving support from the local government in the form of cash subsidies, capital injection, refinancing bond funds, debt resolution funds, and equity share transfers. We expect government support to JNSI to remain stable over the next 12 to 18 months, given its important urban service operator role.

**Credit Challenges**

**Increasing debt burden and moderate asset liquidity.** JNSI's total debt has been increasing over the past three years due to its ongoing investment in resettlement housing projects and self-operated projects. Its total capitalization ratio, measured by total debt to total capital, increased to 58.4% from 53.5% from 2023 to 30 September 2025. Moreover, the Company had moderate short-term debt burden as the short-term debt accounted for 42.2% of its total debt. Given the Company's future investments in construction projects and reliance on external funding, its debt level is expected to remain elevated over the next 12-18 months.

**Moderate access to funding.** JNSI has access to different sources of funding including bank loans, onshore bond issuances, and non-standard financing products, which may partially release capital expenditure pressure and liquidity profile. The Company maintains good relationships with policy banks and state-owned commercial banks such as the Agricultural Development Bank of China and China Construction Bank. Moreover, the Company also has a track record of issuing different kinds of bond products such as SCPs, PPNs, MTNs and corporate bonds through its subsidiary JNUC.

**Medium level of contingent risks.** The Company faces certain contingent liability risks resulted from external guarantees. As of 30 September 2025, its external guarantees amounted to RMB7.6 billion, accounting for 21.8% of its net assets. All of these guarantees were provided to local SOEs with counter-guarantee measures. Therefore, we consider the relevant risks to be controllable. However, in case of regional credit risk incidents, the Company may face some compensation risks arising from joint default events.

**Rating Outlook**

The stable outlook on JNSI's rating reflects our expectation that the local government's capacity to provide support will be stable, and that the Company will maintain its important position in the development of Jinnan District over the next 12 to 18 months.

**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, reduced exposure to risky commercial activities, and enhanced funding ability.

#### **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, increased exposure to risky commercial activities, or weakened access to funding.

#### **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**

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