

CCXAP assigns first-time long-term credit rating of BBB_g to Neijiang High-tech Investment Co., Ltd., with positive outlook.

Hong Kong, 24 March 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned first-time long-term credit rating of BBB_g to Neijiang High-tech Investment Co., Ltd. ("NJHI" or the "Company"), with positive outlook.

The BBB_g long-term credit rating of NJHI reflects local government's (1) strong capacity to provide support; and (2) extremely high willingness to provide support to the Company, based on our assessment of the Company's characteristics. Our assessment of the local government's capacity to provide support reflects the status of Neijiang High-tech Industrial Development Zone ("Neijiang HIDZ") as a national-level development zone with improving economic strength and fiscal profile, and broad development potential and growth space.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) high strategic importance within Neijiang HIDZ with comprehensive infrastructure and industry development mandates; (2) good sustainability of public policy businesses; and (3) good track record of receiving government support. However, NJHI's rating is constrained by its (1) medium exposure to commercial activities; (2) fast-growing debt resulting from large development pipelines; and (3) medium contingent liability risk from external guarantees.

Corporate Profile

Established in 2017 and wholly-owned by the Neijiang HIDZ Management Committee, NJHI serves as the key investment, construction, and operation entity for the Neijiang HIDZ. It has evolved into a key integrated industry-city development service provider, with businesses covering infrastructure development, commodity trading, labor dispatch, sewage treatment, property management, and asset operations. As of 30 June 2025, the Company had a registered and paid-in capital of RMB2.2 billion.

Rating Rationale

Credit Strengths

High strategic importance within Neijiang HIDZ with comprehensive infrastructure and industry development mandates. NJHI is the primary entity responsible for the integrated development, investment, financing, construction, and operation of industrial parks within Neijiang HIDZ. Its functions encompass urban infrastructure, industrial development, industrial investment and public utilities, aligning closely with the Neijiang HIDZ's development strategy. This central role implies a very high level of strategic importance and a low probability of being replaced.

Good track record of receiving government support. NJHI has a good track record of receiving support from local government in terms of capital injection, asset injection and subsidies, greatly increasing the financing stability and comprehensive competitiveness of the

Company. Given NJHI's important role in the region, we expect the Company will continue to receive support from local government in the future.

Credit Challenges

Medium exposure to commercial activities. We consider NJHI to have medium exposure to commercial activities, such as commodity sales, real estate development, entrusted loans, and self-operated projects construction, accounting for around 30.0% of its total assets. These activities provide supplementary income to the Company but exert certain funding and business risks.

Fast-growing debt. Due to the continuous investment in construction projects, NJHI's total debt has been growing over the past three years. As of 30 June 2025, the Company's total debt increased to RMB7.2 billion from RMB2.0 billion as of end-2022. In addition, the Company has a relatively high short-term debt servicing pressure, as reflected by its cash to short-term debt ratio of 0.4x.

Weak asset liquidity. As of 30 June 2025, the Company's inventories and total receivables accounted for 54.0% of total assets. The inventories primarily comprise development costs associated with its infrastructure construction projects, while the receivables are mainly unreceived payments from local government as well as trade-related credit sales, most of which are considered low liquidity.

Limited access to funding channels. NJHI shows moderate access to funding, as it mainly relies on bank loans and special-purpose bonds. As of 31 December 2024, it had total credit facilities of approximately RMB5.4 billion, with unused portion of RMB1.7 billion, indicating liquidity buffer.

Medium contingent liability risk from external guarantees. NJHI has medium exposure to contingent liabilities. As of 31 December 2024, the Company's external guarantee amount was RMB2.0 billion, accounting for about 36.5% of its net assets.

Rating Outlook

The positive outlook on NJHI's rating reflects our expectation that the local government's capacity to provide support will continue to strengthen, along with Neijiang HIDZ's rapid economic and societal growth, and the Company will maintain its important position of infrastructure and industry development platform of Neijiang HIDZ over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as improvement in access to funding.

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 decrease in its strategic significance; decrease in government payments; or increase in exposure to commercial activities.

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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