

CCXAP affirms Zhenjiang Transportation Industry Group Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 15 June, 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Zhenjiang Transportation Industry Group Co., Ltd. (“ZJTI” or the “Company”) at BBB_g+, with stable outlook. At the same time, CCXAP has affirmed the Company’s senior unsecured debt rating at BBB_g+

The BBB_g+ long-term credit rating of ZJTI 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.

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.

Rating Rationale

Credit Strengths

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

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. 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.

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. With the favorable refinancing conditions, the Company financing costs continue to decline. Furthermore, the Company had a controllable exposure to non-standard financing products, which accounted for around 10.0% of its total debt.

Credit Challenges

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.

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. Meanwhile, the Company still has high short-term debt servicing pressure. 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.

Large exposure to external guarantees, with certain contingent liability risk. ZJTI’s credit profile is constrained by its large exposure to contingent liabilities. 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.

Rating Outlook

The stable outlook on ZJTI's rating reflects our expectation that Zhejiang 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.

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.

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

CCXAP's Rating Symbols and Definitions are available on its website at:

http://www.ccxap.com/en/rating_services/category/6/

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.



Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

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

Amy Chen

Credit Analyst

+852-2860 7127

amy_chen@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



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

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656