

CCXAP affirms Qingdao Jimo District Urban Tourism Development and Investment Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 24 June 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed Qingdao Jimo District Urban Tourism Development and Investment Co., Ltd.’s (“JMTI” or the “Company”) long-term credit rating at BBB_g+, with stable outlook. At the same time, CCXAP has affirmed JMTI’s senior unsecured debt rating at BBB_g+

The BBB_g+ long-term credit rating of JMTI reflects Jimo District Government’s (1) very strong capacity to provide support, and (2) very high willingness to provide support based on our assessment of the Company’s characteristics. Our assessment of Jimo District Government’s capacity to support reflects Jimo District’s status as one of the top three districts by gross regional product (“GRP”) in Qingdao City for years, with growing economic and fiscal strengths.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) key role in the urban construction operations and provision of public utility services in Jimo District; (2) solid track record of receiving government support; and (3) good access to different financing channels with relatively low financing costs. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities; (2) increasing debt burden with large investment needs; and (3) high contingent risk arising from external guarantees.

Corporate Profile

Established in June 2007, JMTI is a key local infrastructure investment and financing company (“LIIFC”) in Jimo District, Qingdao City, with a focus on the provision of public utility services and infrastructure construction. The Company is also engaged in commercial activities such as self-operated project construction, real estate development, as well as leasing. As of 31 March 2026, the Company was wholly owned and controlled by the Qingdao Jimo State-owned Assets Operation Service Centre, which is under the direct administration of the Jimo District Government.

Rating Rationale

Credit Strengths

Key role in the urban construction operations and provision of public utility services in Jimo District. JMTI is one of the core LIIFCs in Jimo District, primarily conducting urban construction and providing utility services in Jimo District. The Company is mainly responsible for urban infrastructure projects such as pipeline network and water-related facilities. JMTI is also a very important entity in providing public services including provision of heat energy (in the form of hot water and steam) and sales of electricity, as well as the construction and operation of heat supply networks.

Solid track record of receiving government support. In light of its strategic importance to Jimo District, JMTI has a solid track record of receiving government support mainly in equity transfer, capital injection, and operating subsidies. As one of the key LIIFCs in the area, Jimo District Government continuously increased the Company's capital base through equity transfer and operating asset injections over the past years.

Good access to different financing channels with relatively low financing costs. JMTI demonstrates good access to different financing channels, of which bond issuances and bank loans are the majority of the funding resources. The Company has secured low-cost and stable funding and maintained a relatively balanced debt structure. For example, it keeps long-term relationships with several domestic banks, including policy banks, national joint-stock commercial banks, as well as large state-owned banks. The Company is also an active issuer in the debt capital markets, including onshore and offshore. At the same time, the Company has a relatively low reliance on non-standard financing products.

Credit Challenges

Medium exposure to commercial activities. JMTI is also engaged in commercial activities such as self-operated project construction, leasing, and real estate development businesses. The Company's assets from commercial activities accounted for approximately 30.0% of its total assets as of end-2025.

Increasing debt burden with large investment needs. JMTI has had rapid debt growth over the past years due to continuous investment in urban construction and commercial activities. Considering the Company's relatively large capital expenditure and financing needs, we expect the Company's debt burden will continue to grow for the next 12-18 months. JMTI also shows moderate asset liquidity, which may undermine its financial flexibility.

High contingent risk arising from external guarantees. JMTI's credit profile is undermined by a large number of external guarantees, which could potentially increase its repayment obligations. The guarantees are local state-owned enterprises in Jimo District, but none guarantees have counter-guarantee measures in place, which may increase the contingent risks on JMTI.

Rating Outlook

The stable outlook on JMTI's rating reflects our expectation that the Jimo District Government's capacity to provide support will be stable, and the Company's characteristics such as its essential role in urban construction operations and provision of public utility services will remain unchanged over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) Jimo District 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 reduced exposure to external guarantees, or improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) Jimo District Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as weakened market position, deteriorated assess to fundings, or material decreased government support.

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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