

## **CCXAP upgrades Jining State-owned Assets Investment Holdings Co., Ltd.'s long-term credit rating to A<sub>g-</sub>, with stable outlook.**

Hong Kong, 10 July 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has upgraded the long-term credit rating of Jining State-owned Assets Investment Holdings Co., Ltd., (“JNSI” or the “Company”) to A<sub>g-</sub> from BBB<sub>g+</sub>, with stable outlook, reflecting consistent support from the Jining Municipal Government such as business support and capital injection, given the Company’s strategic importance in the industrial investment and financial services in Jining City.

The A<sub>g-</sub> long-term credit rating of JNSI is underpinned by the Company’s (1) investment portfolio that are aligned with the government policies and industrial development in Jining City; and (2) good access to funding channels given its state-owned background. However, the rating is constrained by the Company’s (1) credit contagion risks from financial businesses; (2) uncertainties in investment return of fund investment; and (3) modest financial profile with narrow profitability and relatively high debt leverage.

The rating also reflects a high likelihood of government support from the Jining Municipal Government when needed, which is based on the Company’s (1) direct ownership and ultimate control by the Finance Bureau of Jining City; (2) clear and solid strategic position of state-owned assets investment and operation in Jining City; and (3) good track record of support from the local government.

### **Corporate Profile**

Founded in August 2001, JNSI is an investing holding company that is directly owned and controlled by the Finance Bureau of Jining City. The Company has a high strategic position in supporting regional economic development, upgrading the local industrial base and maximizing the value of the state-owned assets, in accordance with the development blueprint of the Jining Municipal Government. The Company participates in four key business segments, including (1) investment and management, (2) logistic and trade, (3) medical and health, and (4) modern services. The Company is mainly responsible for supporting industrial development by engaging in fund investment and financial services, and also diversifies into other businesses such as trading, policy-oriented grain storage, as well as medical-related business.

In 2025, JNSI’s subsidiary, Jining Huida Investment Co., Ltd. (“Huida Investment”), had 100% of its equity shares transferred out free of charge under government planning, along with all the government-guided funds. As of 31 March 2026, JNSI was 100% owned by the Finance Bureau of Jining City; the Company had total assets of RMB26.6 billion and net assets of RMB11.1 billion.

## Rating Rationale

### Credit Strengths

**Investment portfolio in line with government policies and industrial development in Jining City.** JNSI is an important municipal state-owned capital investment and operation company in Jining City, with a high strategic position. The Company is entrusted by the local government to cultivate local industrial development by conducting investments and providing diversified financial services. Since its establishment, the local government has transferred several privately held equities and state-owned equities to JNSI, continuously supporting its business expansion. The Company invests in equities and funds with a prudent and diversified investment strategy.

**Relatively high refinancing needs mitigated by good access to funding channels.** The Company's refinancing pressure could be mitigated by its good access to funding channels given its state-owned status. The Company has a sufficient standby liquidity cushion and access to the domestic debt capital market. We also expect that the Company will continue to optimize its debt structure through increasing debt duration, which has been proved over the past three years with decreasing proportion in short-term debt.

**High likelihood of support from the Jining Municipal Government.** We expect a high likelihood of government support from the Jining Municipal Government to JNSI in times of need. This expectation incorporates our considerations of the Company's (1) direct ownership and ultimate control by the Finance Bureau of Jining City; (2) clear and solid strategic position of state-owned assets investment and operation in Jining City; and (3) good track record of support from the local government, in terms of subsidies, capital injections, and asset transfers.

### Credit Challenges

**Most projects are within the investment period, with uncertainties in investment returns and exit timing.** JNSI has good access to quality investments given the support of the Jining Municipal Government. It has invested in several high-quality funds that cover different sectors and companies in Jining City. However, JNSI has a relatively limited history in exit records as most of the investments are still at the early stage of development and their investment returns are yet to be proven, and the return on JNSI's investments is also subject to changes of macroeconomics, industry policy and capital market environment, which may exert higher uncertainties on future return.

**Credit contagion risks from financial businesses.** JNSI provides diversified financial services such as guarantees, small-sum loans, pawning and financial leasing, mainly to the local medium and micro enterprises. The Company's layout in the financial business is gradually improving, forming synergies with its fund investment business, which also diversifies the Company's business risks to a certain extent. However, the Company is exposed to credit contagion risks especially when market conditions of domestic small and medium-sized enterprises are stressed.

**Modest financial profile and profitability with relatively high debt leverage.** JNSI's financial profile is considered modest due to moderate profitability and increasing debt leverage. The Company's income mainly comes from investment and other operating businesses. Additionally, JNSI has a relatively high debt leverage with rapid growth in debt, driven by its debt-funded business expansion model over the past few years. We expect the JNSI will maintain a moderate debt growth over the next 12-18 months according its investment needs.

### **Rating Outlook**

The stable outlook on JNSI's rating reflects our expectation that the willingness and ability of the local government to provide support is unlikely to change over the next 12 to 18 months. We also expect the Company to maintain a stable investment strategy and credit profile.

#### **What could upgrade the rating?**

The rating could be upgraded if (1) the likelihood of support from the Jining Municipal Government increases indicated by the Company's greater strategic importance or more policy roles in Jining City; (2) the quality of the Company's investment portfolio materially improves, demonstrated by its higher level of asset liquidity and better recurring cash flow; or (3) the Company's credit metrics improve such as lower debt leverage.

#### **What could downgrade the rating?**

The rating could be downgraded if (1) the likelihood of support from the Jining Municipal Government decreases; (2) the Company materially increases risk exposure to financial businesses; or (3) the Company's credit metrics deteriorate, such as a significant increase in debt burden or a deterioration in liquidity profile.

### **Rating Methodology**

The methodology used in this rating is the Rating Methodology for [Investment Holding Companies \(December 2016\)](#).

### **Regulatory Disclosures**

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