CCXAP assigns first-time long-term credit rating of BBB_g to Tianjin Jinrui Xinyuan Industrial Investment Co., Ltd., with stable outlook.

Hong Kong, 11 August 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned a first-time long-term credit rating of BBB_g to Tianjin Jinrui Xinyuan Industrial Investment Co., Ltd. ("JRXY" or the "Company"), with stable outlook.

The BBB_g long-term credit rating of JRXY reflects the Company's (1) important position in industrial development and operation in Jinnan District; and (2) manageable financial leverage with balanced debt structure. However, the rating is constrained by the Company's (1) concentrated revenue structure and park operations vulnerable to investment promotion; (2) relatively weak profitability with low return on assets; and (3) constrained credit profile.

The rating also reflects a high likelihood of support from the local government and its parent company Tianjin Jinnan State-owned Capital Investment and Operation Group Co., Ltd. ("JNSI") when needed, given the Company's (1) full ownership by JNSI and ultimate control by the State-owned Assets Supervision and Administration Commission of the People's Government of Jinnan District, Tianjin ("Jinnan SASAC"); (2) important role in industrial development in Jinnan District; and (3) good track record of receiving support from the local government and JNSI, including subsidies, capital injections and equity transfers.

Corporate Profile

Established in December 2024, JRXY is a state-owned enterprise ("SOE") mainly operating in Jinnan District, Tianjin City. JRXY serves as the core industrial development and operation entity in Jinnan District. The Company is mainly engaged in asset operation supplemented by investment promotion in Jinnan District, undertaking the construction and operation of self-operated projects including industrial parks, hotels and talent apartments. As of 31 March 2026, JRXY was 100% owned by JNSI and its ultimate controller was Jinnan SASAC.

Rating Rationale

Credit Strengths

Important position in industrial development and operation in Jinnan District. Under the management of Jinnan District Government, JNSI is a core entity with the largest asset scale in investment and operation of infrastructure construction in Jinnan District. As a core subsidiary under JNSI for industrial investment and operations, the Company possesses strong business fundamentals and primarily serves the industrial development of Jinnan District.

Manageable financial leverage with balanced debt structure. Driven by continuous capital injections from its shareholders, the Company's equity scale has maintained a growth trend, with its overall size remaining acceptable. Meanwhile, the Company's total capitalization ratio, measured by total debt to total capital, has been on a downward trend and remains at a reasonable level. Moreover, JRXY's total debt was dominated by long-term debt and demonstrated a relatively small short-term debt pressure.

High likelihood to receive support from the parent company. Given its regional significance in the industrial development of Jinnan District, JRXY has a good track record of receiving support from its parent company JNSI, including equity transfer, financial subsidies, and loan guarantee. We believe that JRXY will receive ongoing support from its parent company JNSI, given its important position in local economic and industrial development.

Credit Challenges

Concentrated revenue structure and park operations vulnerable to investment promotion. JRXY's revenue primarily generated from industrial park operations and consulting services. Moreover, all of the company's leased assets are currently concentrated in Jinnan District. Therefore, the Company's profitability is heavily dependent on regional investment promotion performance. Both its business and geographic diversity are relatively limited, making it lacking in resilience against risks.

Relatively weak profitability with low return on assets. The Company's profitability metrics were relatively weak, as reflected by the low return on assets and deteriorating EBIT margin. The Company's return on assets remained low over the past two years. This was primarily driven by the large-scale expansion of the Company's business, which led to a substantial increase in both financial and administrative expenses. At the same time, non-operating gains contributed significantly to total profit, mainly gain on changes in fair value.

Constrained credit profile. JRXY's stand-alone debt-servicing metrics are constrained, deteriorating further in 2025 due to the expense growth from business expansion and investment in projects under construction. Moreover, impacted by working capital occupation and rising capital expenditures, the Company's FFO/total debt ratio declined in 2025.

Rating Outlook

The stable outlook on JRXY's rating reflects our expectation that the Company will maintain its regional competitiveness and importance in the industrial development of Jinnan District over the next 12 to 18 months. We also expect that the Company will continue to receive ongoing support from JNSI.

What could upgrade the rating?

The rating could be upgraded if (1) the Company's business strength improves, such as stable operating cash flow from more diversified business segments; or (2) the Company's stand-alone credit profile improves significantly, such as improvement in asset liquidity and profitability.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of parental support for the Company decreases; or (2) the Company's stand-alone credit profile weakens significantly, such as a deterioration in financial leverage or weakened liquidity position.

Rating Methodology

The methodology used in this rating is the Rating Methodology for General Corporate (May 2026).

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