
CCXAP assigns first-time long-term credit rating of BBB_g to Jiangsu Jinguan Investment Development Group Co., Ltd., with stable outlook.

Hong Kong, 4 September 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned first-time long-term credit rating of BBB_g to Jiangsu Jinguan Investment Development Group Co., Ltd. ("Jinguan Group" or the "Company"), with stable outlook.

The BBB_g long-term credit rating of Jinguan Group reflects (1) Lianyungang Municipal Government's very strong capacity to provide support; and (2) the local governments' moderate willingness to provide support, based on our assessment of the Company's characteristics. Our assessment of Lianyungang Municipal Government's capacity to provide support reflects Lianyungang City's improving economic profile with sustainable industrial development, but constrained by moderate fiscal metrics. Guannan County, under the jurisdiction of Lianyungang City, ranks in the medium tier in terms of both aggregate economic output and fiscal revenue.

The rating also reflects the local governments' willingness to provide support, which is based on the Company's (1) full ownership and ultimate control by the Lianyungang Municipal Government; (2) status as the key public utility and infrastructure platform with exclusive regional franchise in Guannan County; and (3) good track record of receiving ongoing government support. However, the rating is constrained by the Company's (1) moderate commercial-project exposure associated with property development; (2) weak asset liquidity and elevated short-term refinancing pressure; and (3) high exposure to contingent-liability risk from external guarantees.

Corporate Profile

Founded in December 2003, Jinguan Group is an important state-owned infrastructure and public-utility platform in Guannan County, Lianyungang City. The Company mainly undertakes infrastructure construction, land consolidation and water-related public-utility operations in Guannan County. It also engages in property development and sales, property leasing, supply-chain services, and self-operated industrial projects. In June 2026, Guannan County Government transferred 100% of the equity interest in Jiangsu Jinguan Industry Development Holding Group Co., Ltd. ("JGIH"), the Company's immediate parent, to the Lianyungang Municipal Government to optimize state-owned asset management. JGIH is one of the largest state-owned enterprises in Guannan County, and Jinguan Group serves as its primary operating subsidiary, accounting for more than 80% JGIH's total assets. As of 30 June 2026, Jinguan Group became wholly owned and ultimately controlled by the Lianyungang Municipal Government via JGIH.

Rating Rationale

Credit Strengths

Key public utility and infrastructure platform with exclusive regional franchise. Jinguan Group is a wholly government-owned enterprise for local infrastructure construction, land

consolidation and public-utility operations in Guannan County. Its close government linkage and county-level public-service mandate support the relevant governments' willingness to provide support. The Company's utility operations are conducted through its subsidiary, which is the sole water operator in Guannan County, as well as the sole heat supplier in Guannan Chemical Industrial Park. The Company has undertaken fundamental infrastructure construction land-consolidation tasks in Guannan County. The Company also undertook specialty-agriculture land-consolidation projects commissioned by local SOEs.

Good track record of receiving government support. The Company has received continuous support from the local government through asset transfers, subsidies and government-related project arrangements. From 2023 to 2025, the Guannan County Government continued to transfer assets such as water-pipeline assets and water-source-site land-use rights into the Company. The support record, together with the important position in local public utilities, demonstrates the Company's close integration with Guannan County's public-service and fiscal system.

Solid access to bank financing and refinancing channels. The Company's primary funding sources are bank borrowings and bond issuances, with no exposure to non-standard financing products as of 31 March 2026. It maintains solid relationships with policy banks and major state-owned commercial banks, with the total credit facilities of RMB16.7 billion and the available portion of RMB1.6 billion. The Company also has access to the domestic and offshore bond market. However, its financing is susceptible to the influence of local government financing policies and the local financing environment.

Credit Challenges

Moderate commercial-project exposure associated with property development. Jinguan Group has moderate exposure to commercial projects, including property development, engineering services, and supply chain operations. These commercial operations are highly market-driven and subject to market volatility, consequently, they are less likely to receive direct government support compared with the Company's public-service operations. In recent years, the Company has adopted a relatively cautious approach to commercial investments, keeping risks under control.

Weak asset liquidity and high short-term refinancing pressure. The Company's overall asset liquidity is weak. As of 31 March 2026, inventories comprised 51.2% of total assets, with undeveloped land parcels representing over 70% of the inventory balance. Restricted assets accounted for 21.1% of total assets, limiting financial flexibility. The Company's total debt has seen modest growth over the past three years, reflecting its relatively prudent approach to investment and debt management during this period. However, short-term debt is relatively high for the Company. Considering its capacity to service debt through recurring operating performance is relatively weak, the Company remains resilient on refinancing to address near-term maturities.

High exposure to contingent-liability risk from external guarantees. The Company's external-guarantee exposure is high. As of March 2026, the total guaranteed balance reached

RMB11.5 billion, accounting for 62.2% of the net assets. While guaranteed entities were regional SOEs, the guarantees were generally provided without counter-guarantees. Any deterioration in a guaranteed entity's debt-servicing capacity could require the Company to provide liquidity support or meet repayment obligations, adding pressure to its cash position and refinancing needs. In case a credit event occurs in the region, the Company may face certain contingent liability risks, which could negatively impact its credit quality.

Rating Outlook

The stable outlook on Jinguan Group's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its strategic position in the development of Guannan County over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local governments' capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local governments' willingness to support, such as decrease in exposure to external guarantees or improvement in assets liquidity.

What could downgrade the rating?

The rating could be downgraded if (1) the local governments' capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local governments' willingness to support, such as decrease in government support, or deterioration in debt management.

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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