CCXAP assigns the first-time long-term credit rating of BBB_g+ to Rudong County Jinxin Transportation Engineering Construction Investment Co., Ltd., with stable outlook.

Hong Kong, 16 November 2026 -- China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned the first-time long-term credit rating of BBB_g+ to Rudong County Jinxin Transportation Engineering Construction Investment Co., Ltd. ("RDTI" or the "Company"), with stable outlook.

The BBB_g+ long-term credit rating of RDTI reflects Rudong County 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 Rudong County Government's capacity to provide support reflects the Rudong County's sizeable economy, continued economic growth and improving general budgetary revenue. It ranked 28th among the Top 100 Counties in China in 2025, with a moderate fiscal balance ratio.

The rating also reflects the local government's willingness to provide support, based on the Company's (1) status wholly and directly owned by the Rudong County Government; (2) role as the key transport infrastructure investment, construction and operating platform in the county; and (3) track record of receiving operating subsidies and government-related asset injections. However, the rating is constrained by the Company's (1) weak asset liquidity and high short-term refinancing pressure; and (2) moderate contingent liability risk from external guarantees.

Corporate Profile

Founded in 2007, RDTI is one of the key local infrastructure investment and financing companies ("LIIFCs") in Rudong County, Nantong City. The Company primarily undertakes transportation infrastructure construction and resettlement-housing development. It also engages in land transfer, property leasing, and greening maintenance. As of 30 June 2026, the Company was directly and wholly owned by the Investment Management Office of Rudong County.

Rating Rationale

Credit Strengths

Key transport infrastructure platform with a clear functional position. RDTI is one of the key LIIFCs and the sole platform undertaking transport infrastructure construction and development of Rudong County. Since its establishment, the Company has been designated to implement the Rudong County Government's plan to develop land and construct transport infrastructure. Given its unique positioning by the local government, the Company has strategic position to perform critical governmental functions and is unlikely to be replaced by other SOEs in the near future. Meanwhile, the Company and its subsidiaries are important issuers in Rudong County in both the onshore and offshore debt capital markets, and the failure of the Company would pose significant reputational risk to the local government and undermine the financing environment of the region.

Track record of ongoing government support. RDTI has a track record of receiving government support through operating subsidies, asset injections and government-mandated project arrangements. It received government subsidies of RMB160.8 million, RMB148.5 million and RMB204.1 million in 2023, 2024 and 2025, respectively. Moreover, Rudong County Government has strengthened the Company's capital base through injections of land, sea-use rights, capital funds, property assets and subsidiary equity. The recurring subsidies, accumulated asset injections and continuing policy mandates demonstrate the Company's close integration with Rudong County Government and support our assessment of ongoing government support.

Credit Challenges

Weak asset liquidity and high short-term refinancing pressure. RDTI's asset liquidity is weak. As of 30 June 2026, the Company's use of lands accounted for around 36.3% of the total assets. With no clear development plans in the near term and reliance on market demand for land transfers, these land holdings have relatively low liquidity. Meanwhile, the Company has significant receivables with local SOEs and development costs for the infrastructure projects. RDTI's total debt increased from RMB24.5 billion at end-2023 to RMB27.6 billion at end-June 2026, and the total capitalization ratio (total debt to total capital) was moderate at 44.3%. However, short-term debt accounted for 44.8% of total debt at end-June 2026, and the Company's unrestricted cash to short-term-debt ratio was around 0.2x. The relatively low asset liquidity and high short-term debt pressure constrain the Company's liquidity profile.

Moderate contingent liability risk from external guarantees. The Company has medium contingent risk from external guarantee exposure. At end-2025, the total guaranteed balance was RMB19.8 billion, equivalent to 57.5% of total equity. All guaranteed entities were local SOEs, which expose the Company to substantial contingent liabilities. If a credit event occurs in the Rudong County, it may lead to large-scale cross-default. However, we believe that the contingent risk of the external guarantee is moderately controllable, considering that these local SOEs will receive support from the local government in a timely manner given their important position in respective regions.

Rating Outlook

The stable outlook on RDTI's rating reflects our expectation that, in the next 12 to 18 months, the local government's capacity to support will remain stable, and the Company will maintain its strategic role in local transport infrastructure development.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's 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 government's capacity to provide support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as material deterioration in strategic position or refinancing access.

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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