

Credit Opinion

20 May 2026

Ratings	
Senior Unsecured Debt Rating	BBB _g
Long-Term Credit Rating	BBB _g
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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Shandong Jibei Investment Holding Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms the long-term credit rating of Shandong Jibei Investment Holding Group Co., Ltd. at BBB_g, with stable outlook.

Summary

The BBB_g long-term credit rating of Shandong Jibei Investment Holding Group Co., Ltd. (“JBH” or the “Company”) reflects Jiyang District Government’s (1) strong capacity to provide support, and (2) extremely high willingness to provide support based on our assessment of the Company’s characteristics.

Our assessment of Jiyang District Government’s capacity to provide support reflects its ongoing integration into the economic development of Jinan City, and its relatively good fiscal stability.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) dominant role in urban construction projects in Jiyang District; and (2) solid track record of receiving government payments.

However, the rating is constrained by the Company’s (1) medium and increasing exposure to commercial activities; and (2) moderate access to funding.

The stable outlook on JBH’s rating reflects our expectation that Jiyang District Government’s capacity to provide support will be stable, and the Company’s characteristics such as its dominant role in the development of Jiyang District will remain unchanged over the next 12 to 18 months.

Rating Drivers

- Dominant role in urban construction projects in Jiyang District
- Medium and increasing exposure to commercial activities
- Solid track record of receiving government payments
- Increasing debt burden driven by large investment needs
- Moderate access to funding

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) Jiyang District Government's capacity to provide support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as lower exposure to risk commercial activities or improved financing ability.

What could downgrade the rating?

The rating could be downgraded if (1) Jiyang District 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 provide support, such as reduced strategic significance or deteriorated debt management.

Key Indicators

	2023FY	2024FY	2025FY
Total Assets (RMB billion)	31.6	35.0	37.6
Total Equity (RMB billion)	14.2	14.8	14.9
Total Revenue (RMB billion)	5.7	5.1	4.3
Total Debt/Total Capital (%)	49.3	52.6	54.4

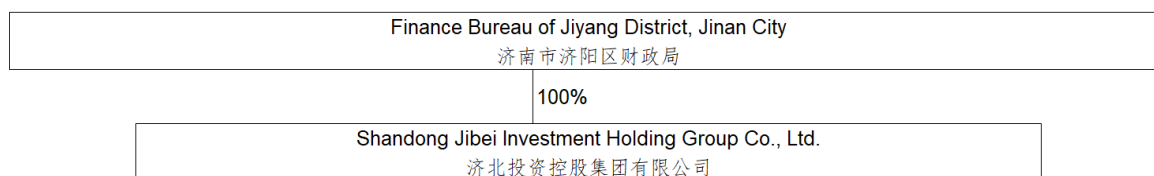
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

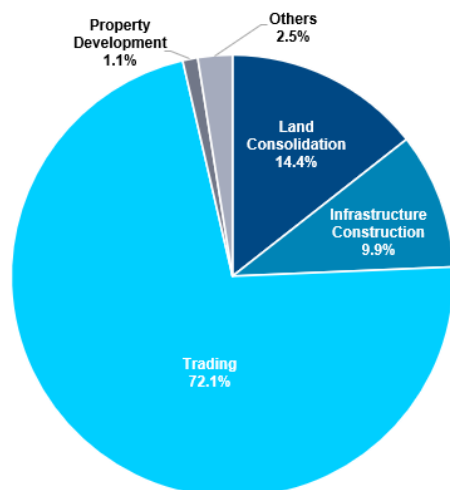
Founded in 2020, JBIH, formerly known as Shandong Jibei New City Urban Operation Co., Ltd., is the largest investment and financing platform in terms of total assets in Jiyang District after consolidation of Jiyang State-owned Assets Investment Holding Group Co., Ltd. ("JSAI") in April 2024. The Company is mainly responsible for urban construction in Jiyang District, including infrastructure construction, primary land consolidation, and resettlement housing development. JBIH also diversified into other commercial businesses, including property development, self-operated project construction and operation, leasing, and trading businesses. As of 31 December 2025, the Company was wholly and directly owned by the Finance Bureau of Jiyang District.

Exhibit 1. Shareholding chart as of 31 December 2025



Source: Company information, CCXAP research

Exhibit 2. Revenue structure in 2025



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe the local government of Jiyang District has a strong capacity to provide support given its ongoing integration into the economic development of Jinan City, and its relatively good fiscal stability.

Shandong Province is the third largest province in China by GRP, with a solid industrial foundation in industries such as logistics, shipbuilding, marine technology, chemical, automotive, and agri-food. Jinan City is a sub-provincial city, the capital of Shandong Province, and the core city of the Jinan metropolitan area. Supported by the rapid development of core industries such as automobiles, pharmaceutical manufacturing, and information technology, the regional economy of Jinan City has demonstrated steady growth, and its GRP had exceeded RMB1.2 trillion over the past three years. Over the same period, Jinan City had ranked 2nd by GRP among 16 prefecture-level cities in Shandong Province. Jinan City maintained strong financial strength and good fiscal metrics. In the past three years, Jinan City's general budgetary revenue covered 77.6% of its general budgetary expenditure, and tax income accounted for 74.0% of its general budgetary revenue on average. As of 31 December 2025, the local government's outstanding debt increased to RMB443.0 billion, accounting for 31.2% of GRP.

Exhibit 3. Key economic and fiscal indicators of Jinan City

	2023FY	2024FY	2025FY
GRP (RMB billion)	1,275.7	1,352.8	1,421.0
GRP Growth (%)	6.1	5.4	5.4

General Budgetary Revenue (RMB billion)	106.1	108.3	109.3
General Budgetary Expenditure (RMB billion)	136.5	139.7	140.7
Local Government Debt (RMB billion)	318.0	377.1	443.0

Source: Jinan Municipal Government, CCXAP research

As a suburb of Jinan City, Jiyang District is located in the southern part of the Northwest Plain of Shandong Province. On 19 June 2018, the State Council approved the establishment of Jiyang District from Jiyang County and kept the same administrative area, with a total planned area of approximately 1,076 square kilometers. Since 2021, Jiyang District has actively integrated into the Jinan Start-up Area for Growth Drivers Transformation, which will further enhance its urbanization and infrastructure development. Under the guidance of northward development strategy of Jinan City, Jiyang District will highlight the advanced manufacturing and producer service industries to build a main urban area in the north of Jinan City with high-quality development.

In recent years, the economic strength of Jiyang District has continued to increase. The GRP of Jiyang District increased by 5.0% YoY to RMB36.9 billion in 2025. In addition, the self-sufficiency ratio (general budgetary revenue/general budgetary expenditure) has shown an upward trend, with an average of 72.0% over the past three years. Tax income is a stable and important source of the general budgetary revenue. Jiyang District Government maintained relatively good fiscal stability. Its fiscal stability ratio (tax revenue/general budgetary revenue) has been increasing, averaging at 72.9% over the past three years. As of 31 December 2025, Jiyang District Government's outstanding governmental debt amounted to RMB10.0 billion, accounting for 27.2% of its GRP.

Exhibit 4. Key economic and fiscal indicators of Jiyang District

	2023FY	2024FY	2025FY
GRP (RMB billion)	26.8	34.9	36.9
GRP Growth (%)	7.2	6.2	5.0
General Budgetary Revenue (RMB billion)	3.0	3.2	3.4
General Budgetary Expenditure (RMB billion)	4.4	4.5	4.6
Local Government Debt (RMB billion)	8.5	8.6	10.0

Source: Jiyang District Government, CCXAP research

Government's Willingness to Provide Support

Dominant role in urban construction projects in Jiyang District

JBH is the largest state-owned investment and financing entity in Jiyang District to implement government blueprint of local urbanization and infrastructure development after the consolidation of JSAI in 2024. The Company has participated in different policy-related projects, such as municipal infrastructure construction, land consolidation, resettlement housing construction projects, and provision of heat supply in Jiyang District. Considering the Company's dominant role in the public policy projects in Jiyang District, we believe that the Company will not be easily replaced by other local state-owned enterprises in the foreseeable future.

Commissioned by the Finance Bureau of Jiyang District, JBH undertakes infrastructure construction and primary land consolidation projects in Jiyang District under the agency construction model. As of 30 September 2025, the Company had completed 4 major infrastructure construction projects in Jiyang District, including resettlement housing and road construction, with a total invested amount of RMB1.3 billion and payments collected of RMB371.0 million. The payment collection progress of these completed infrastructure construction projects was relatively slow. Meanwhile, the Company had 5 infrastructure construction projects under

construction, with a planned investment of RMB6.3 billion and an uninvested amount of RMB592.0 million. The cumulative payments collected from these projects amounted to RMB1.3 billion, with ongoing attention required for subsequent carry-over and collection status.

The Company is also authorised by the local government to conduct primary land consolidation projects in Jiyang District and carries out demolition, resettlement, and consolidation work in the designated land area. As of 31 December 2025, JBIH had large scale of primary land consolidation projects under construction, with a total invested amount of RMB7.9 billion. These projects were at the final stages and most of the construction work had been completed. However, the government payment of land consolidation projects was relatively slow. As of 31 December 2025, the Company had recognized revenue of RMB6.5 billion and received government payment of RMB2.5 billion for the land consolidation projects. The slow government payment would increase the financial burden of the Company.

Medium and increasing exposure to commercial activities

Apart from public-related activities, JBIH also engages in several commercial activities, mainly including construction of self-operated projects, property development and trading. We consider JBIH's commercial business exposure to be medium, accounting for around 15%-20% of its total assets. However, the relatively large future investment in self-operated projects may increase the Company's capital expenditure pressure. Besides, with the ongoing investment in property development, we expect its risk exposure to commercial activities would increase.

The Company conducts self-built and self-operated projects through self-raised funds, which put great pressure on its capital expenditures. As of 30 September 2025, the Company had completed 3 self-built and self-operated projects, achieving an overall absorption rate of 63.3%, with realized sales revenue of around RMB959.0 million and payments collected of around RMB984.0 million. As of 30 September 2025, the Company had 10 self-built and self-operated projects under construction, with a total estimated investment of RMB5.5 billion and an uninvested amount of approximately RMB3.1 billion, exerting large capital expenditure pressure on the Company. These projects included commercial and residential property development, and bio-pharmaceutical base construction, which will be leased or sold upon completion to cover the construction cost. As of the same date, the Company had 2 self-built and self-operated projects under planning, including commercial buildings and office facilities, with a total investment of RMB1.4 billion. The Company is expected to rely on self-funding, government special-purpose bonds, project loans and project revenue to build and operate self-constructed projects in the future. During the downturn of the real estate market, increasing investment in property development may bring more operating uncertainty and financial risks to the Company.

Trading business remained the main income contributor of JBIH. In 2025, the Company recognized trading revenue of RMB3.1 billion, up 6.9% from RMB2.9 billion in 2024, accounting for around 72.1% of the total revenue. The Company has gradually diversified its product mix, which mainly includes steel, grain, oil, coal, building materials, power distribution control equipment and electric vehicle equipment. The Company's concentration risk from upstream suppliers and downstream customers is relatively high, with the top five suppliers and top five customers accounting for 82.3% and 86.9% of the total procurement and total sales in the first three quarters of 2025, respectively. However, the Company has relatively strict internal control over the selection of suppliers and customers, such as due diligence investigation and risk analysis on potential suppliers and customer, which helps to mitigate the concentration risks.

Solid track record of receiving government payments

JBIH has a proven track record of receiving support from the local government in terms of equity transfer, asset injection, construction project payments, and subsidies. In 2024, the local government transferred equities of some state-owned enterprises to the Company, thereby enhancing its capital strength and broadening its business mix. After consolidation of JSAI, JBIH became the largest investment and financing platform by total assets in Jiyang District. JBIH also received cash injections from the local government in 2025, increasing its paid-in capital and capital reserve by RMB2.0 million and RMB100.5 million, respectively.

Furthermore, the Company has signed agreements with the local government for its public policy projects, which ensure the predictability of the project payments. As of 30 September 2025, the Company had received project payments for infrastructure construction and land consolidation of around RMB4.2 billion. JBIH also received continuous operating subsidies from the local government in 2025, with a total amount of around RMB372.9 million. We believe that, given the dominant position of JBIH in public-policy projects in Jiyang District and its close relationship with the local government, the local government will continue to provide strong support to the Company.

Increasing debt burden driven by large investment needs

Due to the ongoing investments for its construction projects, JBIH's total debt has continued to increase in the past year. As of 31 December 2025, the Company's total debt increased to RMB17.8 billion from RMB16.4 billion as of end-2024 and the total capitalization ratio increased to 54.4% from 52.6% over the same period. As of the same date, the Company's short-term debt accounted for 56.1% of the total debt, and the cash to short-term debt ratio was around 0.4x, indicating relatively high short-term debt pressure. JBIH's short-term debt mainly comes from bank loans which is expected to be rolled over before maturity and partially reduce its repayment pressure. The Company is expected to improve the debt structure by replacing short-term loans with medium and long-term project loans. Considering that the Company may continue to rely on external financing to meet its investment needs in both public policy and commercial activities projects under construction, its total debt burden is expected to further increase over the next 12-18 months.

In addition, the liquidity of the Company's assets remained relatively weak. As of 31 December 2025, inventories, accounts receivable and other receivables accounted for approximately 77.0% of the total assets. The inventories are mainly the costs of infrastructure construction, properties, and pipeline network, while the receivables were mainly receivables from the local government and other state-owned enterprises, all of which were considered low liquidity. The low asset liquidity may undermine the Company's financial flexibility.

Moderate access to funding

JBIH shows moderate access to various funding channels, such as bank loans, bond issuance, and non-standard financing. The Company has long-term relationships with various major domestic banks, including major policy banks and joint-stock commercial banks. Due to the important role JBIH has played in local development, the Company has also received project loans from policy banks, such as China Development Bank and Agricultural Development Bank of China. The credit facilities granted by these policy banks accounted for around half of the Company's total credit facilities. As of 31 December 2025, the Company had total credit facilities of RMB12.2 billion, with the available portion being RMB320.7 million. The Company and its subsidiaries had access to the onshore and offshore debt capital market. For instance, in March 2024, the Company's subsidiary, JSAI, issued one tranche of PPN, raising RMB500.0 million with coupon rate of 3.92%. In addition, the Company itself also has tapped into the offshore debt capital market since 2025, issuing an

offshore bond in July 2025 that raised EUR48.0 million. The Company has a moderate exposure to non-standard financing, accounting for less than 10% of total debt as of end-2025Q3, mainly from financial leasing companies.

ESG Considerations

JBIH assumes environmental risks through its infrastructure construction and primary land development projects. Such risks could be moderated through environmental studies and detailed planning prior to the start of the projects and close supervision during construction.

In terms of social concerns, JBIH plays a crucial role in the social well-being of the residents in Jiyang District by undertaking urban infrastructure construction projects.

JBIH's governance considerations are also material as the Company is subject to oversight by Jiyang District Government and has to meet several reporting requirements, reflecting its public-policy role and status as a government-owned entity.

Structural Consideration

JBIH's senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its strategic role in the development of Jiyang District, thereby mitigating any differences in an expected loss that could result from structural subordination.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

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