

Credit Opinion

24 June 2026

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

Analyst Contacts

Jessica Cao +852-2860 7128
Credit Analyst
jessica_cao@ccxap.com

Rory Li +852-2860 7127
Assistant Credit Analyst
rory_li@ccxap.com

Elle Hu +852-2860 7120
Executive Director of Credit Ratings
elle_hu@ccxap.com

**The first name above is the lead analyst for this rating and the last name above is the person primarily responsible for approving this rating.*

Client Services

Hong Kong +852-2860 7111

Qingdao Jimo District Urban Tourism Development and Investment Co., Ltd.

Surveillance credit rating report

CCXAP affirms Qingdao Jimo District Urban Tourism Development and Investment Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Summary

The BBB_g+ long-term credit rating of Qingdao Jimo District Urban Tourism Development and Investment Co., Ltd. (“JMTI” or the “Company”) reflects Jimo District 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 Jimo District Government’s capacity to support reflects Jimo District’s status as one of the top three districts by gross regional product (“GRP”) in Qingdao City for years, with growing economic and fiscal strengths.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) key role in the urban construction operations and provision of public utility services in Jimo District; (2) solid track record of receiving government support; and (3) good access to different financing channels with relatively low financing costs.

However, the rating is constrained by the Company’s (1) medium exposure to commercial activities; (2) increasing debt burden with large investment needs; and (3) high contingent risk arising from external guarantees.

The stable outlook on JMTI’s rating reflects our expectation that the Jimo District Government’s capacity to provide support will be stable, and the Company’s characteristics such as its essential role in urban construction operations and provision of public utility services will remain unchanged over the next 12 to 18 months.

Rating Drivers

- Key role in the urban construction operations and provision of public utility services in Jimo District
- Solid track record of receiving government support
- Medium exposure to commercial activities
- Increasing debt burden with large investment needs
- Good access to different financing channels with relatively low financing costs
- High contingent risk arising from external guarantees

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) Jimo District Government's capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support such as reduced exposure to external guarantees, or improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) Jimo District Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as weakened market position, deteriorated access to fundings, or material decreased government support.

Key Indicators

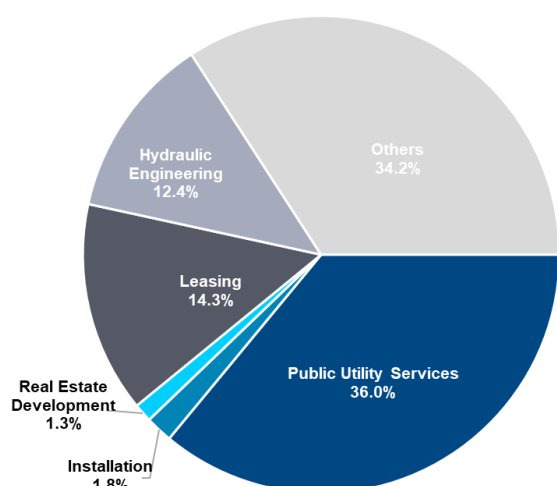
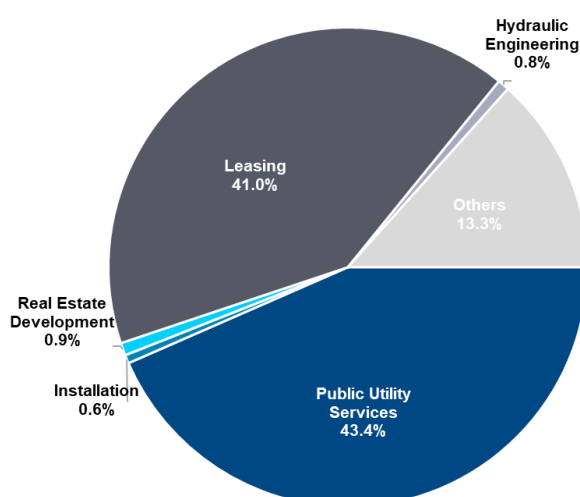
	2023FY	2024FY	2025FY	2026Q1
Total Assets (RMB billion)	46.2	51.0	56.1	57.5
Total Equity (RMB billion)	18.0	18.1	20.3	20.2
Total Revenue (RMB billion)	0.7	0.8	1.2	0.4
Total Debt/Total Capital (%)	57.2	58.5	57.9	59.9

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

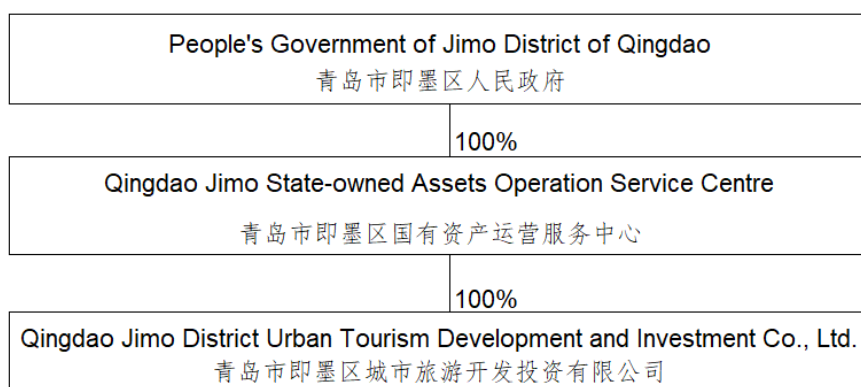
Source: Company data, CCXAP research

Corporate Profile

Established in June 2007, JMTI is a key local infrastructure investment and financing company ("LIIFC") in Jimo District, Qingdao City, with a focus on the provision of public utility services and infrastructure construction. The Company is also engaged in commercial activities such as self-operated project construction, real estate development, as well as leasing. As of 31 March 2026, the Company was wholly owned and controlled by the Qingdao Jimo State-owned Assets Operation Service Centre, which is under the direct administration of the Jimo District Government.

Exhibit 1. Revenue structure in 2025**Exhibit 2. Gross profit structure in 2025**

Source: Company information, CCXAP research

Exhibit 3. Shareholding chart as of 31 March 2026

Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that the Jimo District Government has a very strong capacity to provide support, reflects Jimo District's status as one of the top three largest districts by GRP in Qingdao City for the last three years, with growing economic and fiscal strengths.

Shandong is the third largest province in China by GRP, with a solid industrial foundation in industries such as logistics, shipbuilding and marine technology, chemicals, automotive, and agri-food. Qingdao City is one of the five cities in China that are under separate state planning and is the strongest city in Shandong in terms of economic size and average income level. It reported a GRP of RMB1,756.1 billion in 2025, ranking first in Shandong Province. Qingdao City also has strong fiscal strength and good fiscal metrics. In the past three years, its general budgetary revenue covered over 70.0% of its general budgetary expenditure, and tax income accounted for more than 70.0% of its general budgetary revenue on average. As of end-2025, the outstanding debt of Qingdao Municipal Government increased to RMB526.1 billion, accounting for 30.0% of the GRP.

Exhibit 4. Key economic and fiscal indicators of Qingdao City

	2023FY	2024FY	2025FY
GRP (RMB billion)	1,576.0	1,671.9	1,756.1
GRP Growth (%)	5.9	5.7	5.4
General Budgetary Revenue (RMB billion)	133.8	133.9	134.1
General Budgetary Expenditure (RMB billion)	171.9	172.0	171.9
Local Government Debt (RMB billion)	362.0	438.3	526.1

Source: Qingdao Municipal Government, CCXAP research

Jimo District is located in the southwest region of the Shandong peninsula, on the west coast of the Yellow Sea and the north of the Lao Mountain, with abundant supply of natural resources, such as land, sea and mineral resources. Jimo District comprises seven towns, one provincial-level economic development zone, one high-tech industrial development zone and one provincial-level tourism and resorts zone. It has formed six pillar industries, including traditional industries such as automobiles, textiles and clothing, as well as trade and logistic; emerging industries such as marine, new-generation information technology, as well as biomedicine.

Jimo District is a developing district and has shown continuous economic growth over the past three years. In 2025, Jimo District reported a GRP of RMB174.2 billion, representing 5.6% year-over-year (“YoY”) growth, and ranked 3rd among all the districts and counties in Qingdao City. Also, Jimo District had a relatively strong fiscal balance as its general budgetary revenue covered around 77.3% of its general budgetary expenditure on average over the past three years. It also has good fiscal stability with tax income contributing around 70.2% of the general budgetary revenue on average over the past three years. However, government debt burden has risen over the last three years. As of 31 December 2025, the outstanding amount of local government debt amounted to RMB39.6 billion, increasing from RMB30.5 billion at end-2024 and accounting for 22.7% of its GRP.

Exhibit 5. Key economic and fiscal indicators of Jimo District

	2023FY	2024FY	2025FY
GRP (RMB billion)	159.7	167.1	174.2
GRP Growth (%)	6.6	6.0	5.6
General Budgetary Revenue (RMB billion)	10.6	10.6	10.9
General Budgetary Expenditure (RMB billion)	13.3	14.2	13.9
Local Government Debt (RMB billion)	20.9	30.5	39.6

Source: Jimo District Government, CCXAP research

Government’s Willingness to Provide Support

Key role in the urban construction operations and provision of public utility services in Jimo District

JMTI is one of the core LIIFCs in Jimo District, primarily conducting urban construction and providing utility services in Jimo District. Since its establishment, the Company has played an essential role in the implementation of infrastructure construction and urban development policies, which are strategically important to Jimo District. The Company is mainly responsible for urban infrastructure projects such as pipeline network and water-related facilities. The Company usually undertakes project construction business and receives projects payments based on the actual cost plus a markup in return upon completion. As of 31 December 2025, the Company had 6 infrastructure construction projects under construction with a total estimated investment of around RMB4.2 billion and an outstanding amount of RMB2.1 billion. Five of the projects are largely completed

and pending asset transfer. The Company will increasingly adopt self-operation model for future projects and continue to undertake infrastructure projects in line with the future plans of the market-driven requirement.

JMTI is a very important entity in providing public services including provision of heat energy (in the form of hot water and steam) and sales of electricity, as well as the construction and operation of heat supply networks. Its business scope covers most of the areas in Jimo District, with strong regional franchise advantage. As of 31 December 2025, the Company's heating coverage reached over 10 million square meters, providing heat energy to over 100 enterprises and 100 residential communities with approximately 100,000 households in Jimo District. Moreover, JMTI takes part in the sale of electricity business by selling all the electricity generated from its cogeneration power plants to Qingdao Electric Power Company. As of 31 December 2025, the Company's annual power generation capacity is 225.48 million kWh, accounting for approximately 7.2% of the total electricity consumption in Jimo District. As of end-2025, the Company had 2 thermal power projects under construction, with a total investment of RMB1.1 billion and an outstanding amount of RMB520.8 million. Along with the completion of these projects, it is expected that the Company's heating capacity and coverage would be further enlarged. Although this sector has recorded net loss in previous years, its operating profit has rebounded since 2024 mainly because of lower fuel costs. We believe JMTI's regional position in the public services will remain strong, given its strong functional positioning to promote the regional development and improve the living quality in Jimo District. Therefore, the potential substitution is low and government support is likely in the near future.

Solid track record of receiving government support

In light of its strategic importance to Jimo District, JMTI has a solid track record of receiving government support mainly in equity transfer, capital injection, and operating subsidies. As one of the key LIIFCs in the area, Jimo District Government continuously increased the Company's capital base through equity transfer and operating asset injections over the past years. For instance, in 2025, the Company received equities and assets transfer from the local state-owned enterprise, increasing its capital reserve by approximately RMB2.4 billion. In addition, the Company continued to receive operating subsidies from the local government for public utility services, with a total amount of RMB593.6 million in 2025 and RMB57.0 million in first quarter of 2026, respectively.

Medium exposure to commercial activities

JMTI is also engaged in commercial activities such as self-operated project construction, leasing, and real estate development businesses. The Company's assets from commercial activities accounted for approximately 30.0% of its total assets as of end-2025.

At present, JMTI focuses on the construction of self-operated projects, including projects of parking lots, Nvdao Port upgrading, Nvdao Port channel anchorage, cloud computing center, and tourist scenic area. The construction costs of such self-operated projects will be balanced by the operating income, such as lease, after construction is completed. The Company has large construction projects and sufficient reserves. As of 31 December 2025, the Company had 9 projects under construction, with a total planned investment of approximately RMB4.8 billion and an invested amount of RMB2.6 billion. The current investment in the cloud computing center has exceeded the planned investment budget. Additional funding may be required in the future due to ongoing expansion projects. The Company also had 2 industrial park projects under planning with total investment amount of RMB2.0 billion. The relatively large investment may put more capital expenditure pressure to the Company.

JMTI's real estate development business primarily focuses on the development of resettlement housing and talent apartments, with the development of commercial housing as supplements. Under its business model, the developed projects are partially sold to resettled householders based on the resettlement compensation they received, and the remaining are covered by the selling of commercial parts at the market prices. As of 31 December 2025, the Company had one completed resettlement housing project, namely Mohe Jiayuan, with a total investment of RMB1.7 billion, with a total sales amount of RMB1.5 billion. At the same time, there was a resettlement housing project under construction, with a total investment amount of RMB1.0 billion and an outstanding amount of RMB48.5 million. Meanwhile, the Company had 2 talent apartments under construction, with a total investment amount of RMB8.2 billion and an uninvested amount of RMB4.5 billion, exerting certain capital expenditure to the Company. There were no property projects under planning at 31 December 2025. Revenue from this business decreased to RMB15.5 million in 2025 from RMB22.1 million in 2024, while its gross profit margin dropped sharply to 8.7% from 80.1% over the same period. Due to the volatility of China's real estate market, there is still some uncertainty about the sales and revenues of subsequent property development projects.

JMTI is also engaged in leasing business including the rental of commercial and residential properties, docks, and aquaculture farms. The Company owns several leasable assets which generate stable income of over RMB150.0 million per annum. Among them, the Eastern Aquaculture Ponds accounts for the majority of the Company's lease income. However, the lessee of the Eastern Aquaculture Ponds has not paid the rent according to the time nodes agreed in the contract. As of the end of 2025, the Company's receivable from this lessee was RMB901.3 million, requiring attention to the payment collection progress.

Given the large amount of construction of self-operating projects and property projects, we expect the Company will increase its commercial activities exposure in the future.

Increasing debt burden with large investment needs

JMTI has had rapid debt growth over the past years due to continuous investment in urban construction and commercial activities. As of 31 March 2026, the Company's total debt increased to RMB30.1 billion from RMB25.5 billion as of end-2024; while its capitalization ratio, calculated as a ratio of total debt to total capital, also grew to 59.9% from 58.5% as of end-2024. The Company faced certain short-term debt burden, with short-term debt accounting for 24.4% of its total debt as of 31 March 2026. The cash to short-term debt ratio was around 0.1x as of the same date, indicating that its cash balance could not fully cover its short-term debt. Considering the Company's relatively large capital expenditure and financing needs, we expect the Company's debt burden will continue to grow for the next 12-18 months.

JMTI also shows moderate asset liquidity, which may undermine its financial flexibility. Inventories (mainly cost of infrastructure construction projects and cost of development projects), other receivables (majority of which consists of receivables from local SOEs and government entities), investment properties, and construction in progress represent a significant portion of the Company's total assets, all of which are relatively illiquid. These illiquid assets accounted for about 70.9% of total assets as of end-2025. Meanwhile, the total restricted assets were RMB15.4 billion which accounted for 27.4% of total assets.

Good access to different financing channels with relatively low financing costs

JMTI demonstrates good access to different financing channels, of which bond issuances and bank loans are the majority of the funding resources. The Company has secured low-cost and stable funding and maintained a relatively balanced debt structure. For example, it keeps long-term relationships with several domestic banks,

including policy banks, national joint-stock commercial banks, as well as large state-owned banks. As of 31 December 2025, the Company had total bank facilities of RMB24.0 billion, with the undrawn portion being RMB9.8 billion.

The Company is also an active issuer in the debt capital markets, including onshore and offshore, as its debt mainly comes from direct bond issuances. It has issued different financial products in the debt market, such as SCPs, corporate bonds, MTNs, and private placement notes. For example, in June 2025, the Company issued a tranche of 5-year corporate bonds with a coupon rate of 2.8%, raising RMB600.0 million. Moreover, JMTI has an active presence in the offshore debt capital market since 2021. In 2024, the Company issued two tranches of offshore bonds, raising RMB272.0 million and USD171.7 million, respectively. Furthermore, the Company issued a tranche of 2-year offshore bonds to raise USD110.0 million in May 2025. Bond financing represents a major funding source for the Company, accounting for around 39.5% of its total debt as of end-2025. At the same time, the Company has a relatively low reliance on non-standard financing products, mainly financial leasing, accounting for less than 5.0% of the total debt.

High contingent risk arising from external guarantees

JMTI's credit profile is undermined by a large number of external guarantees, which could potentially increase its repayment obligations. As of end-2025, the Company's external guarantees amounted to RMB9.9 billion, accounting for around 48.9% of its net assets. The guarantees are local state-owned enterprises in Jimo District, but none guarantees have counter-guarantee measures in place, which may increase the contingent risks on JMTI.

ESG Considerations

JMTI bears environmental risks through its infrastructure construction projects. Such risks could be mitigated by conducting environmental studies and detailed planning before the commencement of the projects and close supervision during construction.

As a public services provider in Jimo District, the Company also faces social risks. Demographic changes, public awareness, and social priorities shape government's target for JMTI, or affect the government's propensity to support the Company.

JMTI's governance considerations are also material as the Company is self-governed under the supervision of the Jimo District Government and has to comply with relevant guidelines, reflecting its public policy role and status as a government-owned entity.

Structural Considerations

JMTI's senior unsecured debt rating is equivalent to JMTI's long-term credit rating. We believe that government will provide support to the Company given its essential role in urban construction operations and provision of public utility services in Jimo 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 \(July 2022\)](#).

Appendix

Exhibit 6. Peer comparison

	Qingdao Jimo District Urban Tourism Development and Investment Co., Ltd.	Qingdao Jimo District Urban Development Investment Co., Ltd.
Long-Term Credit Rating	BBB _g +	BBB _g +
Shareholder	Qingdao Jimo State-owned Assets Operation Service Centre (100.0%)	Qingdao Jimo State-owned Assets Operation Service Centre (100.0%)
Positioning	Key entity to focus on the provision of public utility services and infrastructure construction in Jimo District	Key entity to carry out affordable housing and infrastructure construction projects within Jimo District
Total Assets (RMB billion)	56.1	64.9
Total Equity (RMB billion)	20.3	19.5
Total Revenue (RMB billion)	1.2	1.5
Total Debt/Total Capital (%)	57.9	66.2

All ratios and figures are calculated using CCXAP's adjustments based on financial data as of 31 December 2025.

Source: Company data, CCXAP research

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China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656