

**Lianhe Global has assigned ‘BBB’ global scale Long-term Issuer Credit Rating with Stable Outlook to New Town Construction Investment (Jizhou, Tianjin) Co., Ltd.**

HONG KONG, 17 April 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB’ global scale Long-term Issuer Credit Rating to New Town Construction Investment (Jizhou, Tianjin) Co., Ltd. (“NTCI” or “the company”). The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the Jizhou District People’s Government (“the Jizhou government”) would provide very strong support to NTCI if needed. This mainly considers the Jizhou government’s indirect full ownership of NTCI, NTCI’s strategic importance as a major local investment and development company (“LIDC”) responsible for project development in Tianjin’s Jizhou District (“Jizhou”). In addition, the linkage between the Jizhou government and NTCI is strong, including management supervision, strategic alignment and ongoing operational and financial support. Moreover, the Jizhou government may face significant negative impact on its reputation and financing activities if NTCI encounters any operational and financial difficulties.

Jizhou is a municipal district under Tianjin’s jurisdiction. In 2024, Jizhou’s GDP grew steadily by 3.0% to RMB29.9 billion.

The Stable Outlook reflects our expectation that NTCI’s strategic importance would remain intact while the Jizhou government will continue to ensure NTCI’s stable operation.

**Key Rating Rationales**

**Government’s Ownership and Supervision:** State-owned Assets Supervision and Administration Commission of Jizhou District (“Jizhou SASAC”) holds 100% shares of NTCI through Tianjin Guangcheng Investment Group Co., Ltd., (“TGIG”) and is the company’s actual controller. The Jizhou government has the final decision-making authority and strong supervision over NTCI, including the appointment of senior management and decisions on its major investment and financing plan. In addition, the Jizhou government has an assessment mechanism over the company and regularly appoints auditors to review the company’s operating performance and financial position.

**Strategic Importance and Strategic Alignment:** NTCI is an important LIDC responsible for project development in Jizhou District, especially in Jizhou Newtown. The company undertakes major development projects within the area, including city infrastructure, public facilities, land consolidation and social housing. Its business operation and strategic planning have been aligned with the Jizhou government’s social and economic development plans.

**Strong Government Support:** NTCI enjoys robust backing from the Jizhou government, which includes advantageous policies, capital/asset injections and operational subsidies. Between 2021 and September 2024, the company received operational subsidies related to its provision of public goods totaling RMB1,237 million. During the same period, the Jizhou government injected cash capital amounting to RMB9,849 million into NTCI through TGIG. Given NTCI's strategic significance in Jizhou, we believe that NTCI is likely to continue receiving government support in the future.

**NTCI's Financial and Liquidity Position:** NTCI's total assets increased to RMB70.7 billion at the end of September 2024 from RMB59.1 billion at the end of 2021, as the company actively engaged in project development in. Its total debts also rose to RMB30.0 billion from RMB26.2 billion during the same period. Benefited from Jizhou government asset injections, the company's financial leverage, indicated by debt to capitalization, stayed at approximately 50% level.

NTCI's short-term servicing pressure is high. At end-September 2024, the company had cash of RMB1.6 billion (most were restricted), compared short-term debt amounting to RMB7.8 billion. The company has access to various financing channels, including bank borrowings, onshore and offshore bond issuances and non-traditional financing options, to support its debt repayments and business operations. By end-June 2024, NTCI had total bank facilities of RMB35.0 billion, of which RMB3.0 billion were unused.

### **Rating Sensitivities**

We would consider downgrading NTCI's rating if (1) there is perceived weakening in support from the local government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the local government's ownership of NTCI, or (3) there is a downgrade in our internal credit assessment on the local government.

We would consider upgrading NTCI's rating if (1) there is an upgrade in our internal credit assessment on the Jizhou government.

### **About Lianhe Global**

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

### **Principal Methodology Applied**

*China Local Investment and Development Companies Criteria* (published on 31 July 2024)  
The methodology can be found at the website [www.lhratingsglobal.com](http://www.lhratingsglobal.com).

**Note:** The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

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