

Credit Opinion

30 December 2025

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

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Chongqing Jiangjin District Jiangding Industrial Development Co., Ltd.

Surveillance credit rating report

CCXAP affirms Chongqing Jiangjin District Jiangding Industrial Development Co., Ltd.'s long-term credit rating at BBB_g, with stable outlook.

Summary

The BBB_g long-term credit rating of Chongqing Jiangjin District Jiangding Industrial Development Co., Ltd. ("Jiangding" or the "Company") reflects the Jiangjin District Government's (1) strong capacity to provide support, and (2) very high willingness to provide support to the Company, based on our assessment of the Company's characteristics.

Our assessment of Jiangjin District Government's capacity to provide support reflects its economic importance in Chongqing City, with steady economic growth, but constrained by its modest fiscal quality.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) clear functional position in infrastructure construction and land quota sales of Jiangjin District; (2) good business sustainability for undertaking major local projects and services; and (3) proven track record of receiving government support.

However, the rating is constrained by the Company's (1) weak assets liquidity; (2) moderate access to funding; and (3) increasing exposure to commercial activities.

The stable outlook on Jiangding's rating reflects our expectation that the local government's capacity to support the Company will remain stable, and the Company will maintain its strategic position in the development of Jiangjin District for the next 12 to 18 months.

Rating Drivers

- Clear functional platform engaging in infrastructure construction and land quota sales of Jiangjin District
- Undertaking major local projects and services with good business sustainability
- Medium exposure to commercial activities
- Proven track record of receiving government support
- Increasing debt burden driven by construction projects
- Weak asset liquidity
- Moderate access to funding
- Medium exposure to contingent risks

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; and (2) changes in company's characteristics enhance local government's willingness to provide support, such as improved debt management and improved asset liquidity.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) changes in company characteristics decrease the local government's willingness to provide support, such as reduced regional significance or increased exposure to commercial activities.

Key Indicators

	2022FY	2023FY	2024FY	2025Q3
Total Asset (RMB billion)	14.4	13.5	19.9	21.6
Total Equity (RMB billion)	7.4	7.1	10.3	8.6
Total Revenue (RMB billion)	1.0	0.7	0.8	0.7
Total Debt/Total Capital (%)	27.0	35.4	44.9	57.7

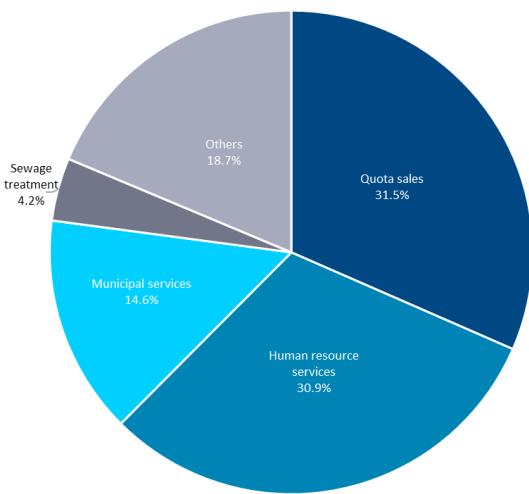
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

Founded in 2018, the Company was formerly known as Chongqing Jiangjin Huixin Industrial Development Co., Ltd. The Company is one of the major construction and operation entities in Jiangjin District. The Company is primarily responsible for the sales of land quotas, infrastructure construction, and the operation of sewage treatment in Jiangjin District. Apart from public development projects, the Company also undertakes various commercial activities, such as human resource services, property leasing, parking lot operation, property management, car rental and self-operating projects. In July 2024, according to the local government's consolidation plan, the Company's shareholding was transferred from Chongqing Jiangjin Huixin Asset Management Group Co., Ltd. ("JHAM") to the State-owned Assets Supervision and Administration Commission of Jiangjin District, Chongqing City ("Jiangjin SASAC"). As of 30 September 2025, Jiangjin SASAC is the ultimate controller of the Company, directly holding 100% of the Company's shares.

Exhibit 1. Revenue structure in 2024



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe the Jiangjin District Government has a good capacity to provide support to the Company, given its economic importance in Chongqing City, with steady economic growth, but constrained by its modest fiscal quality.

Chongqing City is one of the four municipalities in China and the only municipality in Western China. It has formed a pillar industry pattern represented by modern heavy machinery, electronics, chemical and pharmaceutical, as well as the energy industry. Chongqing City's economy has demonstrated a growth trend over the past years. In 2024, Chongqing City's gross regional product ("GRP") increased by 5.7% year-on-year ("YoY") to RMB3.2 trillion, ranking 4th among municipalities and prefecture-level cities in China. In the first three quarters of 2025, Chongqing City achieved GRP of RMB2.4 trillion, up by 5.3% YoY. At the same time, the general budgetary revenue of Chongqing increased from RMB244.1 billion in 2023 to RMB259.5 billion in 2024, up 6.3% YoY. However, Chongqing City has a relatively weak self-sufficiency, with fiscal balance ratios (general budgetary revenue/general budgetary expenditure) of around 46.2% in 2024. The debt profile of Chongqing Municipal Government is relatively weak. The outstanding direct government debt balance of Chongqing increased to RMB1.4 trillion in 2024, accounting for 44.8% of its GRP for that year.

Exhibit 2. Key economic and fiscal indicators of Chongqing City

	2022FY	2023FY	2024FY
GRP (RMB billion)	2,912.9	3,014.6	3,219.3
GRP Growth (%)	2.6	6.1	5.7
General Budgetary Revenue (RMB billion)	210.3	244.1	259.5
General Budgetary Expenditure (RMB billion)	489.3	530.4	562.1
Local Government Debt (RMB billion)	1,007.1	1,225.8	1,442.5

Source: Statistic Bureau of Chongqing City, CCXAP research

Jiangjin District is located in the southwest part of Chongqing City, with a total area of 3,200 square kilometers. In 2020, Jiangjin District was included in the metropolitan area of the core district. Jiangjin District is planned as one of the 6 major regional centers in Chongqing City, as well as an important shipping hub and material distribution center in the upper reaches of the Yangtze River. Relying on its pillar industries such as consumer goods, equipment manufacturing, automobile, materials, and electronic information manufacturing, Jiangjin District has continued to grow and develop in recent years, the GRP of Jiangjin District reached approximately RMB149.1 billion in 2024, ranking 6th among 38 districts and counties in Chongqing City. In 2025H1, the GRP of Jiangjin District grew up by 4.1% YoY. The general budgetary revenue of Jiangjin District amounted to approximately RMB6.8 billion in 2024, of which tax revenue accounted for about 58.6%, indicating moderate fiscal stability. In addition, it recorded an average general budgetary revenue/general budgetary expenditure ratio of 56.0% over the past three years, which was at a relatively weak level. The local government debt scale is expanding at a relatively fast pace. At end-2024, Jiangjin District Government's outstanding debt amount was approximately RMB27.4 billion, accounting for about 25.6% of Jiangjin District's GRP.

Exhibit 3. Key economic and fiscal indicators of Jiangjin District

	2022FY	2023FY	2024FY
GRP (RMB billion)	133.0	140.2	149.1
GRP Growth (%)	3.2	7.0	4.1
General Budgetary Revenue (RMB billion)	6.8	6.8	6.8
General Budgetary Expenditure (RMB billion)	11.6	12.1	12.2
Local Government Debt (RMB billion)	24.7	30.9	38.2

Source: Statistic Bureau of Jiangjin District, CCXAP research

Government's Willingness to Provide Support

Clear functional platform engaging in infrastructure construction and land quota sales of Jiangjin District

There are three major construction and operation entities in Jiangjin District, namely JHAM, Western (Chongqing) Science City Jiangjin Park Development and Construction Group Co., Ltd., and Jiangding, each with clear positioning in the development of the region. Jiangding engages in land quota sales, infrastructure construction and the operation of sewage treatment in Jiangjin District, maintaining its important position in local projects and services in Jiangjin District. After further restructuring and integration of local state-owned enterprises in 2024, we believe the local government's support for Jiangding will be strengthened and the replacement cost of the Company will be relatively high given its essential role in regional development.

Undertaking major local projects and services with good business sustainability

As the main developer in Jiangjin District, the Company is entrusted by the local government to undertake land quota sales and infrastructure construction businesses, with social and economic importance. The agency construction business is sustainable given the considerable infrastructure construction projects under construction in the pipeline, but could also exert certain capital expenditure pressure on the Company.

The land quota sales business is the largest revenue source of the Company, accounting for 31.5% of total revenue in 2024. The sales unit price of land quotas in Jiangjin District has been higher than before since May 2023, when the Company established the land quotas pool under the local government's approval to coordinate land quotas in Jiangjin District. As of 30 September 2025, the Company had 7 land quota sales projects under construction or under planning with a total planned investment of RMB117.7 million. For the first nine months

of 2025, the Company achieved land quota sales revenue of RMB73.0 million as compared with RMB148.0 million in 2024. Nevertheless, the average unit price of land quotas for sale increased to around RMB96.4 thousand per ton, as compared with RMB70.9 thousand per ton in 2024 and the gross profit margin of this business was as high as 30.5%. However, the sales of quotas are subject to the overall market needs.

Jiangding also conducts infrastructure construction business through an agency construction model. The Company's agency construction projects have been funded in advance by the local government, alleviating part of its capital pressure. As of 30 September 2025, the Company had completed 4 key infrastructure construction projects with a total invested amount of RMB492.9 million. Meanwhile, the Company had 5 projects under construction with a gross investment amount of RMB997.2 million and an uninvested amount of RMB395.0 million. It also had 1 infrastructure construction project under planning, with a total estimated investment of RMB126.0 million. We believe the Company's infrastructure construction business is sustainable since these infrastructure projects are crucial to local social and economic development.

In addition, Jiangding is one of the major sewage treatment providers in Jiangjin District and the Company has expanded its business scope and increased its sewage treatment capabilities. As of 30 September 2025, the Company owned the operation right of 37 sewage treatment plants with a daily sewage treatment capacity of 80,900 tons. However, due to the nature of the public welfare business, the sewage treatment business makes a limited contribution to the Company's overall income and profit.

Medium exposure to commercial activities

Apart from public activities, Jiangding is also involved in various commercial activities such as human resource services, property leasing, parking lot operation, property management, car rental and self-operating projects. We consider Jiangding's commercial business exposure to be medium, as its market-driven businesses account for around 20% of its total assets. These activities have been a good supplement to the Company's operating revenue but could pose the Company with related operational and financial risks.

Human resource service is the second largest source of income for the Company, which accounted for 30.9% of its total revenue in 2024. The Company provides labor dispatch personnel to the client companies based on their employment needs and provides security service in the form of labor dispatch with a monopoly position in Jiangjin District. The security service business remains a stable customer base with more than 1,000 customer units with around 3,000 security personnel reserved, providing services to enterprises and institutions in Jiangjin District, such as banks, central enterprises, kindergartens and schools. The income of this business shows a stable growth trend as it increased from RMB226.4 million in 2023 to RMB262.7 million in 2024, but with low profitability as reflected by a gross profit ratio of about 4.6% in 2024.

In addition, the Company participates in the construction of self-operating projects, such as an entrepreneurship center, logistics distribution center, and sewage treatment plant. The Company constructs self-operating projects with self-raised funds, and achieves capital balance mainly through rental, sales, and operating income. As of 30 September 2025, the Company had 1 self-operating project under planning, with a total planned investment amount of RMB690.2 million, exerting certain capital expenditure pressure.

Jiangding newly engaged into municipal services business in 2024, primarily involving the collection of district-level municipal management and maintenance fees, with a monopoly position in Jiangjin District. This business generated revenue of RMB124.4 million in 2024, accounting for around 14.6% of total revenue and 3.8% of total gross profit. The Company also engages in property leasing business, parking lot operation business, contributing less to the Company.

Proven track record of receiving government support

Jiangding has a track record of receiving support from the Jiangjin District Government. These supports take various forms, such as government subsidies, equity transfers and capital injection. Approved by the local government, JHAM transferred 11 companies into the Company in 2022, as well as transferred Chongqing Jiangjin District Zhenxin Industrial Development Group Co., Ltd. into the Company in 2023, enhancing its capital strength and broadening its business mix. In 2023, the Company also received a capital injection of RMB300.0 million from its shareholder, enhancing its capital strength. From 2024 to 2025Q3, the local government has provided total subsidies of RMB112.2 million to the Company. Given Jiangding's important strategic role, we expect the Company will continue to receive support from the Jiangjin District Government in the future.

Increasing debt burden driven by construction projects

The Company shows a rising debt burden owing to its expansion in the construction of public-policy projects and investment in commercial activities. Its total debt increased from RMB3.9 billion at end-2023 to RMB11.7 billion as of 30 September 2025, with a capitalization ratio rising from 35.4% to 57.7%. Meanwhile, the Company has certain short-term repayment pressure. As of 30 September 2025, the Company's short-term debt accounted for 11.6% of its total debt and its cash to short-term debt ratio was 0.7x. Considering the Company's ongoing investment needs, we expect that the Company will rely on external financings to meet its capital expenditures and the total debt level will continue to increase.

Weak asset liquidity

Jiangding has relatively weak asset liquidity, which may undermine its financial flexibility. The Company's total assets mainly consist of receivables and inventories, which accounted for 68.5% of its total assets as of 30 September 2025. Receivables are mainly unreceived payments from the agencies of the government or other state-owned companies. Inventories are mainly investment costs for its construction projects and land-using rights, all of which are considered low liquidity.

Moderate access to funding

The Company has broadened its funding channel and reduced its reliance on bank loans. As of 30 September 2025, around 64.9% of the Company's debt financing was provided by domestic banks. The Company has maintained a good relationship with policy banks, large state-owned banks, and commercial banks, with total credit facilities of RMB5.7 billion and available portion of RMB304.0 million, indicating a moderate liquidity buffer. However, it has moderate exposure to non-standard financing products with a relatively high average financing cost of around 7.2%, which would bring higher refinancing pressure to the Company. In 2024, the Company issued three tranches of offshore bond with a total issuance amount of RMB285.0 million and USD160.0 million. Given the Company's large outstanding investment amount on its construction projects, we consider additional funding channel is needed to fulfill its large capital expenditure, such as increasing its credit facilities and issuing onshore bonds.

Medium exposure to contingent risks

The Company has medium exposure to external guarantees. As of 30 September 2025, the total amount of the Company's external guarantee was RMB3.4 billion, accounting for 39.8% of its net assets, compared with 11.3% as of 30 June 2024. All the external guarantees are provided to local state-owned enterprises in Jiangjin District. We believe that the credit risk of the guarantee is moderately controllable, taking into account the government's support to local state-owned enterprises when needed. However, if a credit event occurs in Jiangjin District, it

may lead to large-scale cross-default.

ESG Considerations

The Company is subject to environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by the national governmental authorities. Jiangding assumes environmental risks for its local projects. Such risks could be mitigated by conducting environmental studies and detailed planning prior to the commencement of projects and close supervision during construction.

Jiangding is also exposed to social risks as it implements public-policy initiatives by building public projects in Jiangjin District. Demographic changes, public awareness and social priorities shape government's development strategy, and it will affect the government's propensity to support the Company.

The Company's governance considerations are also material as it is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity. Jiangding believes that it is in compliance in all material respects with the applicable governmental regulations, rules and executive orders in each jurisdiction in which it operates.

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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