CCXAP affirms Fujian Jinjiang Construction Investment Holding Group Co., Ltd.'s long-term credit rating at A_g-, with stable outlook.

Hong Kong, 9 March 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed Fujian Jinjiang Construction Investment Holding Group Co., Ltd.'s ("FJCI" or the "Company") long-term credit rating at A_g-, with stable outlook.

The A_g- long-term credit rating of FJCI reflects (1) Jinjiang City Government's 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 Jinjiang City Government's capacity to support reflects the Jinjiang City's robust private sector and strong comprehensive strength, ranked 4th by comprehensive strength among the top 100 counties (including county-level cities) in China, with ongoing growth in economic and fiscal strength.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) dominant strategic role as the largest state-owned enterprise in Jinjiang City; (2) high sustainability of public policy projects; and (3) good track record of receiving government support. However, the rating is constrained by the Company's (1) relatively high debt leverage; (2) moderate asset liquidity; and (3) relatively high reliance on non-standard financing.

Corporate Profile

Founded in 2018, after the consolidation of other state-owned enterprises in Jinjiang City, FJCI has become the largest local infrastructure investment and financing company ("LIIFC") by total assets in Jinjiang City. The Company is the most important infrastructure construction and urban operation services entity in Jinjiang City. It primarily engages in infrastructure construction, public transport operation, land development and consolidation, and affordable housing construction. The Company also engages in commercial businesses such as property development, material trading, security services, and property leasing. As of the end of September 2025, the Company was wholly owned and ultimately controlled by Jinjiang State-owned Assets Operation and Security Center.

Rating Rationale

Credit Strengths

Dominant strategic role as the largest state-owned enterprise in Jinjiang City. The Company is the most critical urban construction and development entity, as well as the largest LIIFC in Jinjiang City with a dominant position in various public policy projects, including infrastructure construction, affordable housing construction, and land consolidation. Considering its strategic significance to the development of Jinjiang City, we believe the Company is unlikely to be replaced by other local state-owned enterprises in the foreseeable future.

High sustainability of public policy projects. The urban development and construction segments are FJCI's core business, covering infrastructure building, affordable housing construction, and land development in Jinjiang's core areas. With numerous large-scale ongoing projects, the Company shows strong stability and sustainability in the urban development and construction business.

Good track record of receiving government support. FJCI has a good track record of receiving payments from the Jinjiang City Government, including government subsidies and special government funds. Given the Company's significant position and contribution to regional economic growth, we believe FJCI will receive continuous government support to sustain its business operations.

Credit Challenges

Relatively high debt leverage. Due to the expansion of construction projects, FJCI demonstrated fast debt growth over the past year. Its adjusted total capitalization ratio increased to 66.6% as of 30 September 2025, maintaining a relatively high level. In addition, the Company has a certain degree of short-term debt repayment pressure, with cash to short-term debt ratio of 0.2x.

Moderate asset liquidity. The Company's total assets are mainly composed of receivables, inventories and investment properties, accounting for 69.1% of the total assets as of 30 September 2025, all of which are considered low liquidity.

Relatively high reliance on non-standard financing. As of 30 September 2025, non-standard financing accounted for 26.6% of the total debt. In addition, the Company had perpetual debt of RMB7.2 billion, accounted for 7.8% of the total debt.

Rating Outlook

The stable outlook on FJCI's rating reflects our expectation that Jinjiang City Government's capacity to support will remain stable, and the Company will maintain its important position in infrastructure construction in Jinjiang City over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) Jinjiang City Government’s capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government’s willingness to support, such as decrease in exposure to commercial activities.

What could downgrade the rating?

The rating could be downgraded if (1) Jinjiang City Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as decrease in market position, or material decrease in government payments.

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

Peter Chong
Associate Director of Credit Ratings
+852-2860 7124
peter_chong@ccxap.com

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

Client Services: +852-2860 7111

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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