

## **CCXAP affirms Fujian Jinshang Holding Group Co., Ltd.'s BBB<sub>g</sub>+ long-term credit rating, with stable outlook.**

Hong Kong, 12 March 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Fujian Jinshang Holding Group Co., Ltd. (“FJHG” or the “Company”) at BBB<sub>g</sub>+, with stable outlook. At the same time, CCXAP has affirmed the Company’s senior unsecured debt rating at BBB<sub>g</sub>+

The BBB<sub>g</sub>+ long-term credit rating of FJHG reflects Jinjiang City Government’s (1) very strong capacity to provide support; and (2) high willingness to provide support, based on our assessment of the Company’s characteristics.

Our assessment of Jinjiang City Government’s capacity to provide support reflects Jinjiang City’s muscular comprehensive strength, ranking 4<sup>th</sup> by comprehensive strength among the top 100 counties (including county-level cities) in China, with ongoing economic and fiscal growth.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) important position in industrial development and public utilities services in Jinjiang City; and (2) track record of receiving government support. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities; (2) rapid debt growth driven by large capital expenditure of construction projects; (3) moderate asset liquidity; and (4) relatively high reliance on non-standard financing.

### **Corporate Profile**

Founded in 2019, after the consolidation of other state-owned enterprises in Jinjiang City, FJHG has become one of the major local infrastructure investment and financing companies (“LIIFCs”) in Jinjiang City. The Company primarily engages in construction of industrial parks and utilities businesses, including water supply, and pipeline construction. The Company also participates in some commercial activities such as the construction of self-operated industrial parks, leasing, and sale of commercial stores, as well as wholesale and property management. As of 30 September 2025, the Company was wholly owned by Fujian Jinjiang Industrial Development Investment Group Co., Ltd. (“FJID”) and ultimately controlled by Jinjiang City Finance Bureau.

### **Rating Rationale**

#### **Credit Strengths**

#### **Important position in industrial development and public utilities services in Jinjiang City.**

As the core subsidiary of FJID, FJHG manages state-owned assets and plays a pivotal role in Jinjiang’s industrial development. Following the integration of significant subsidiaries in 2022, FJHG has assumed responsibility for industrial park construction, water supply, sewage treatment, and grain storage in Jinjiang, strengthening its regional influence. Given its strategic role, FJHG will continue to play an essential part in the city’s industrial development and public utilities.

**Track record of receiving government support.** FJHG has a track record of receiving support from the Jinjiang City Government in the form of government subsidies, special funds, and payments for agency projects. Given its critical role in driving regional economic development, FJHG is expected to continue receiving robust government support for its operations.

#### Credit Challenges

**Medium exposure to commercial activities.** In addition to its public utility operations, FJHG engages in a variety of commercial activities. As of 30 September 2025, commercial assets accounted for more than 30% of the Company's total assets. Nevertheless, given that the industrial park construction is aligned with local policy for industrial development and is supported by government special bonds, we assess the commercial business risk of FJHG as moderate.

**Rapid debt growth driven by large capital expenditure of construction projects.** FJHG has experienced rapid debt growth over the past few years due to the large amount of construction projects. The Company's total debt increased from RMB4.0 billion at the end of 2023 to RMB11.8 billion as of 30 September 2025, with a total capitalization ratio of 46.3%. Considering the substantial capital requirements for upcoming projects, the Company's debt burden is expected to grow in the next 12 to 18 months.

**Moderate asset liquidity.** FJHG's asset liquidity is moderate, which may limit its financial flexibility. As of 30 September 2025, the Company's total assets were primarily composed of inventories, receivables, and investment properties, accounting for 59.0% of its total assets. The Company has a certain amount of cash reserve to support daily operations and debt repayment. Besides, the investment properties can provide stable income to the Company.

**Relatively high reliance on non-standard financing.** FJHG's debt structure is primarily composed of bank loans, offshore bonds and non-standard borrowings. In June 2025, the Company issued an offshore bond with an issuance amount of USD180 million. With the issuance of offshore bonds, the Company's reliance on non-standard financing has decreased. However, FJHG still maintained relatively large amount of non-standard financing, such as finance leasing, which accounts for 23.5% of its total debt.

#### Rating Outlook

The stable outlook on FJHG's rating reflects our expectation that Jinjiang City Government's capacity to provide support will remain stable, and the Company will maintain its essential position in industrial development and public utilities services 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 an increase in market position or a 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 weakening 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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