

## **CCXAP affirms Foshan Gaoming Construction Investment Group Co., Ltd.'s long-term credit rating at BBB<sub>g</sub>+, with stable outlook.**

Hong Kong, 31 March 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Foshan Gaoming Construction Investment Group Co., Ltd. (“GCIG” or the “Company”) at BBB<sub>g</sub>+, with stable outlook. At the same time, CCXAP has affirmed the senior unsecured debt rating of GCIG at BBB<sub>g</sub>+

The BBB<sub>g</sub>+ long-term credit rating of GCIG reflects (1) Gaoming District Government has a strong capacity to provide support, and (2) the local government’s extremely high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Gaoming District Government’s capacity to support reflects industrial development strength and geographic advantage, with ongoing economic growth and good fiscal balance.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) important role in land development of Gaoming District; (2) good track record of receiving ongoing government payments and (3) good access to funding. However, the rating is constrained by the Company’s (1) uncertainty on the sustainability of tram operation business; (2) increasing debt burden driven by ongoing investment needs; and (3) moderate asset liquidity.

### **Corporate Profile**

Established in 2011, GCIG is an important local infrastructure construction platform in Gaoming District. The Company is primary focus on land development projects. It is also involved in other commercial activities such as sales of meat products and leasing. As of 30 September 2025, GCIG is ultimately controlled and 90% owned by State-owned Assets Supervision and Administration Bureau of Gaoming District, Foshan City (“Gaoming District SASAB”). Guangdong Provincial Department of Finance holds the remaining 10% of the Company’s shares.

### **Rating Rationale**

#### **Credit Strengths**

**Important role in land development and tram operation of Gaoming District.** The Company is the sole entity authorized by the Gaoming District Government to undertake all land development projects in Xijiang New Town, an area situated in the eastern part of Gaoming District and expected to become the future center of the district.

**Good track record of receiving government payments.** As an important infrastructure construction and state-owned asset management entity in Gaoming District, the Company has received strong support from Gaoming District Government in terms of capital injection, asset injection, and government subsidies in recent years. Given its important position in the

development of Gaoming District, we believe that the Gaoming District Government will continue to provide support to the Company.

**Good access to funding.** As an important municipal platform in Gaoming District, GCIG has good access to funding from banks and bond market. It maintains a good relationship with banks. The Company also has access to both onshore and offshore debt capital markets.

#### Credit Challenges

**Uncertainty on the sustainability of tram operation business.** The Company has operated one tramway, namely Gaoming Modern Tram Demonstration Line, with total length of about 6.5 kilometers. In addition, starting from 6 August 2024, the tramway has been under inspection and maintenance, and its operation was suspended, with no clear plans for resumption.

**Increasing debt burden driven by ongoing investment needs.** With the continuous investment in land development and self-operated projects, the Company's debt burden has been increasing over the past few years. The Company's total debt increased from RMB7.6 billion at end-2023 to RMB8.4 billion at 2025Q3, with total capitalization ratio of 58.4%.

**Moderate asset liquidity.** GCIG's asset liquidity is moderate, which may undermine its financial flexibility. GCIG's asset liquidity is considered moderate as reflected by the fact that its assets are primarily composed of inventories and receivables, both with relatively low liquidity.

#### Rating Outlook

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

#### What could upgrade the rating?

The rating could be upgraded if (1) the local 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 increase in government payments or improvement in debt burden.

#### What could downgrade the rating?

The rating could be downgraded if (1) the local 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 its strategic significance; decrease in government payments; or increase in debt burden.

#### 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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