

CCXAP affirms Shangrao City Construction Investment Development Group Company Limited's long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 30 June 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Shangrao City Construction Investment Development Group Company Limited (“SCID” or the “Company”) at BBB_g+, with stable outlook. At the same time, CCXAP has affirmed its senior unsecured debt rating of BBB_g+

The BBB_g+ long-term credit rating of SCID reflects Shangrao Municipal Government's (1) 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 the Shangrao Municipal Government's capacity to provide support reflects its economic importance in Jiangxi Province, 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) key role in infrastructure construction and land development in Shangrao City; (2) good track record of receiving government support; and (3) diversified funding channels. However, SCID's rating is constrained by its (1) medium exposure to commercial activities; (2) moderate debt level with improved debt structure; and (3) relatively weak asset liquidity.

Corporate Profile

Established in 2002, SCID is an important local infrastructure investment and financing company in Shangrao City. The Company is mainly engaged in infrastructure construction, land development, resettlement housing construction, as well as commercial businesses including aluminum production and trading, self-operated project construction, power generation, agricultural reclamation resource leasing, product sales, hotel management and expressway operation in Shangrao City. As of 31 March 2026, Shangrao Urban Operation (Holding) Group Co., Ltd. (“SUOG”) held 98.0% of the Company's shares, while Jiangxi Provincial Administrative Assets Group Co., Ltd. held the remaining 2.0%. Shangrao State-owned Assets Supervision and Administration Commission (“Shangrao SASAC”) was its ultimate controller.

Rating Rationale

Credit Strengths

Key role in infrastructure construction and land development in Shangrao City. As a key subsidiary of SUOG and core infrastructure construction entity in Shangrao City, SCID has played a vital and proactive role in the implementation of the local government's key strategic initiatives for urban planning and municipal construction by undertaking a series of infrastructure and resettlement housing construction as well as land development projects in the region. Given its essential role in regional development, we believe that the Company is unlikely to be replaced by other local SOEs in the foreseeable future.

Good track record of receiving government support. SCID has a good track record of receiving support from the local government and shareholders, including capital injections, asset transfers, project payments and subsidies, which have significantly strengthened the Company's capital base and operational capabilities. Given its essential position in infrastructure construction in Shangrao City, we believe that the local government will continue to provide support to the Company.

Diversified funding channels. SCID has a diversified range of financing channels, including bank borrowings, bond financing, and non-standard financing. As of 31 March 2026, it had obtained total credit facilities of RMB47.8 billion from diversified policy banks and major domestic commercial banks, with an available amount of RMB19.1 billion, indicating sufficient standby liquidity. Furthermore, the Company has a track record of fund-raising activities in both onshore and offshore debt capital markets, accounting for around 41.4% of its total debt as of 31 March 2026.

Credit Challenges

Medium exposure to commercial activities. SCID also participates in commercial activities, such as production and trading of aluminum, self-operated project construction, power generation and agricultural reclamation resource leasing. These market-driven businesses represented approximately 40% of the Company's total assets. We consider the Company's exposure to commercial businesses to be medium, as most of these businesses provide stable income and reasonable returns, and some operations are closely linked to Shangrao's urban development with a public welfare nature.

Moderate debt level with improved debt structure. SCID's debt structure improved slightly, though its debt burden remained at moderate level. Its adjusted total debt decreased slightly from RMB68.4 billion at end-2024 to RMB67.3 billion at end-2026Q1, while the total capitalization ratio dropped from 42.4% to 42.3% over the same period. Meanwhile, the short-term debt to total debt ratio slightly improved from 33.4% to 30.8%, and the cash to short-term debt ratio increased to 0.2x from 0.1x, indicating continued but somewhat eased short-term debt-servicing pressure.

Relatively weak asset liquidity. SCID's assets are primarily composed of inventory, receivables, and other non-current assets, all of which exhibit relatively low liquidity. As of 31 March 2026, these assets accounted for 75.2% of total assets. Inventory mainly consists of infrastructure construction costs, while receivables primarily comprise uncollected project payments from the local government and SOEs, as well as on-lending loans to county-level SOEs.

Rating Outlook

The stable outlook on SCID's rating reflects our expectation that the Company will maintain its important role in infrastructure construction and other public welfare activities in Shangrao City and will continue to receive government support over the next 12 to 18 months.



What could upgrade the rating?

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

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as decrease in its strategic significance, decrease in government payments, or increase in exposure to commercial activities.

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

CCXAP's Rating Symbols and Definitions are available on its website at:

http://www.ccxap.com/en/rating_services/category/6/

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

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



Copyright © 2026 China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP's publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP's publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

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