

Credit Opinion

25 November 2025

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

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Ganzhou Jianxing Holding Investment Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Ganzhou Jianxing Holding Investment Group Co., Ltd.'s long-term credit rating to BBB_g-, with stable outlook.

Summary

The BBB_g- long-term credit rating of Ganzhou Jianxing Holding Investment Group Co., Ltd. ("GJHI" or the "Company") reflects Zhanggong District Government's (1) 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 Zhanggong District Government's capacity to provide support reflects its strong economic importance in Ganzhou City, with good comprehensive strength and ongoing economic growth.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) most important position in the development of Zhanggong District; (2) high sustainability of public policy businesses; and (3) good track record of receiving government support.

However, the Company's rating is constrained by its (1) medium exposure to commercial activities, especially in property development; (2) increasing debt level with relatively high short-term debt repayment pressure; and (3) weak asset liquidity.

The stable outlook on GJHI's rating reflects our expectation that the Company will maintain its most important position in the development in Zhanggong District. We also expect that the Company will continue to receive ongoing government support for the next 12 to 18 months.

Rating Drivers

- Most important position in the development of Zhanggong District
- High sustainability of public policy businesses
- Medium exposure to commercial activities, especially in property development
- Good track record of receiving government support
- Increasing debt level with relatively high short-term debt repayment pressure
- Weak asset liquidity
- Multiple access to fundings with relatively high reliance on non-standard financing

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) 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 materially decrease in its exposure to commercial activities and improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) 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 regional importance, material decrease in government payments, or deteriorated liquidity profile.

Key Indicators

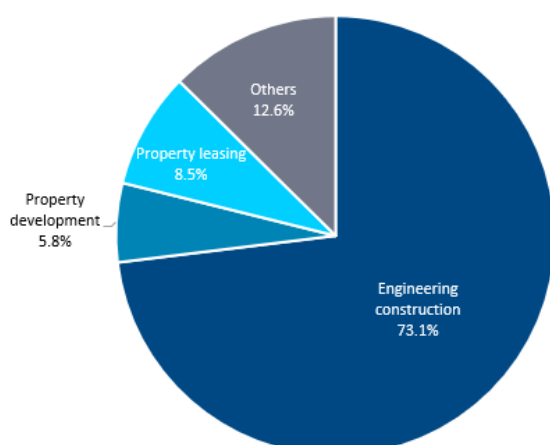
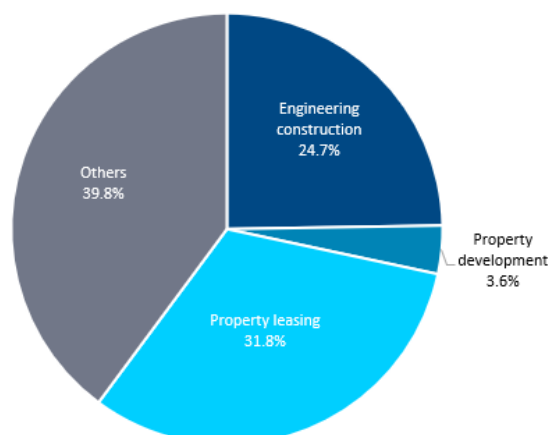
	2022FY	2023FY	2024FY	2025H1
Total Asset (RMB billion)	36.0	39.0	41.7	43.1
Total Equity (RMB billion)	13.5	15.8	16.4	16.7
Total Revenue (RMB billion)	1.8	1.9	1.5	0.7
Total Debt/Total Capital (%)	43.9	40.7	43.4	44.8

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

Source: Company data, CCXAP research

Corporate Profile

Founded in 2018, GJHI is the most important local infrastructure investment and financing company ("LIIFC") in Zhanggong District, Ganzhou City. The Company mainly engages in infrastructure construction and resettlement housing construction in Zhanggong District. It is also engaged in commercial businesses such as property development, property leasing, waste material disposal, urban appearance and environmental protection business, catering and accommodation services and sales of construction materials. As of 30 June 2025, the Company was wholly owned and directly controlled by the State-owned Assets Supervision and Administration Office of Zhanggong District of Ganzhou City.

Exhibit 1. Revenue structure in 2024**Exhibit 2. Gross profit structure in 2024**

Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe Zhanggong District Government has strong capacity to provide support given its strong economic importance in Ganzhou City, with good comprehensive strength and ongoing economic growth.

Jiangxi Province is located in the central-southern part of China and its economic strength lies at middle level among all provinces in China. In 2024, Jiangxi Province's Gross Regional Product ("GRP") reached RMB3.4 trillion, ranking 15th among all provinces in China, with a year-on-year ("YoY") increase of 5.1%. In the first three quarter of 2025, the GRP of Jiangxi Province reached RMB2.6 trillion, up 5.4% YoY. Its general budgetary revenue increased slightly from RMB306.0 billion in 2023 to RMB306.7 billion in 2024.

Ganzhou City is a prefecture-level city located in the southern part of Jiangxi Province. With ongoing development of traditional industries like nonferrous metal mining and cutting-edge industries like software engineering and pharmaceutical, Ganzhou City's economy grew steadily in recent years. In 2024, Ganzhou City's GRP increased by 5.4% YoY to RMB494.0 billion, ranking 2nd among all cities in Jiangxi Province. In the first three quarter of 2025, the GRP of Ganzhou City reached RMB370.0 billion, up by 5.6% YoY. Ganzhou Municipal Government's general budgetary revenue increased from RMB32.0 billion in 2023 to RMB32.8 billion in 2024. However, its fiscal balance ratio is relatively low, averaging at 29.3% over the past three years. As at end-2024, its outstanding governmental debt amounted to RMB232.2 billion, equivalent to 47.0% of its GRP.

Exhibit 3. Key economic and fiscal indicators of Ganzhou City

	2022FY	2023FY	2024FY
GRP (RMB billion)	452.4	460.6	494.0
GRP Growth (%)	5.2	5.3	5.4
General Budgetary Revenue (RMB billion)	30.6	32.0	32.8
General Budgetary Expenditure (RMB billion)	98.8	110.1	116.9
Local Government Debt (RMB billion)	159.1	190.3	232.2

Source: Statistics Bureau of Ganzhou City, CCXAP research

Zhanggong District is the central urban area of Ganzhou City, with total area of 375.5 square kilometers. It has high economic and political importance in Ganzhou City, with relatively good comprehensive strength. In 2024, it ranked 76th among top 100 districts in China, holding a leading position among all counties and districts in Jiangxi Province. In recent years, Zhanggong District has formed three pillar industries including nonferrous metal mining, pharmaceuticals, and digital economy. With geographical advantages, Zhanggong District has achieved ongoing economic growth in recent years. The GRP of Zhanggong District increased from RMB68.1 billion in 2023 to RMB74.1 billion in 2024, ranking 1st among all districts/counties in Ganzhou City. In the first three quarter of 2025, the GRP of Zhanggong District reached RMB52.9 billion, up by 2.1% YoY. In 2024, Zhanggong District Government's general budgetary revenue reached RMB2.6 billion, with tax income accounting for 72.0%, compared to 81.9% in 2023, indicating decreased fiscal stability. Zhanggong District also has moderate fiscal self-sufficiency, averaging at 53.1% for the past three years. Zhanggong District reported outstanding governmental debt of RMB10.8 billion at end-2024, representing 14.6% of GRP.

Exhibit 4. Key economic and fiscal indicators of Zhanggong District

	2022FY	2023FY	2024FY
GRP (RMB billion)	66.1	68.1	74.1
GRP Growth (%)	5.8	5.2	6.6
General Budgetary Revenue (RMB billion)	2.3	2.6	2.6
General Budgetary Expenditure (RMB billion)	4.6	4.6	5.0
Local Government Debt (RMB billion)	7.7	9.4	10.8

Source: Statistics Bureau of Zhanggong District, CCXAP research

Government's Willingness to Provide Support

Most important position in the development of Zhanggong District

GJHI is the largest and most important LIIFC in Zhanggong District, conducting local infrastructure and resettlement housing construction projects through its primary subsidiary, Ganzhou Zhanggong Area Construction Investment Group Co., Ltd. ("GZCI"). Considering that GJHI owns large amount of infrastructure assets in Zhanggong District, we believe that the Company has most important position in the development of the region and will not be easily replaced by other state-owned enterprises in the foreseeable future.

High sustainability of public policy businesses

As the major city infrastructure constructor of Zhanggong District, GJHI has undertaken large amount of agent construction projects in the region, focusing on infrastructure construction and resettlement housing. The infrastructure construction projects in the pipelines will ensure the sustainability of the business, but also bring certain capital expenditure pressure to the Company.

The Company undertakes infrastructure construction projects by entering into agent construction agreements with Zhanggong District Government. As of 30 June 2025, GJHI had completed 45 infrastructure construction projects, with a total investment of RMB6.5 billion. However, the timing of the repayments depends on the government's arrangement and fiscal position. The Company received project repayment of RMB281.8 million in 2023 and RMB309.6 million in 2024. Meanwhile, the Company had 3 infrastructure projects under construction, with a total planned investment of RMB2.4 billion and an uninvested amount of RMB1.2 billion. In addition, the Company had 10 infrastructure projects under planning, with a total estimated investment of RMB1.4 billion.

GJHI also involves in resettlement housing construction projects in Zhanggong District under agency construction model and self-operated model. As of 30 June 2025, the Company had completed 25 agent-constructed resettlement housing projects with a total investment of RMB9.0 billion and 8 self-operated resettlement housing projects with a total investment of RMB2.4 billion. Furthermore, the Company had 5 resettlement housing agency projects under construction with a total planned investment of RMB2.3 billion and an outstanding amount of RMB1.8 billion. Meanwhile, the Company had 2 resettlement housing agency projects under planning with an estimated investment of RMB1.3 billion. Given the large investment amount on these projects, coupled with relatively long construction and payback periods, we believe the Company will face large capital expenditure and debt repayment pressure.

Medium exposure to commercial activities, especially in property development

GJHI has medium exposure to commercial activities, as its commercial assets accounted for around 20-25% of total asset as of 30 June 2025. The commercial businesses include property development, property leasing, waste material disposal, urban appearance and environmental protection business, catering and accommodation services and sales of construction materials. We believe that the commercial risks are largely controllable as most of the commercial businesses provide supplementary income and reasonable profit to the Company, which nevertheless are susceptible to fluctuations in property market and the macro-environment.

GJHI's property development business mainly involves construction and sales of residential housing in Zhanggong District, mainly operated by its subsidiaries. As of 30 June 2025, the Company had completed 6 property development projects with a total investment of RMB1.8 billion and a confirmed revenue of RMB1.7 billion, indicating good selling progress. Meanwhile, the Company had a property development project under construction, with a planned total investment of RMB244.0 million and an outstanding amount of RMB184.0 million. However, some projects have high destocking pressure amid the decelerated property market in China. Due to a slowdown in the sales of real estate projects, in 2024, the revenue from property development significantly decreased from RMB562.5 million in 2023 to RMB85.2 million in 2024, down by 84.2% YoY, with a decreasing gross profit margin from 22.2% to 16.7%. Overall, the income from property development is susceptible to regional property market, which inevitably expose the Company to more operational and financial risks.

GJHI also engages in sales of construction materials business with selling products include steel, cement, asphalt, polyethylene, and river sand. Affected by a decline in business volume in 2024, the Company's sales of construction materials revenue decreased from RMB282.2 million in 2023 to RMB31.0 million in 2024, with a gross profit margin rising from 1.9% to 10.2% over the same period. The customers are mainly state-owned enterprises that have lesser payment risks, with settlement period of one to three months.

GJHI also engages in other commercial activities such as property leasing, waste material disposal, urban appearance and environmental protection business, catering and accommodation services. However, these commercial activities only make small contribution to the Company's income and profit.

Good track record of receiving government support

GJHI has a good track record of receiving support from local government in the form of financial subsidies and capital injection. The Zhanggong District Government has strengthened the Company's capital base by injecting equity and converting debt claims into capital reserves on a non-reimbursable basis. From 2024 to 2025H1, GJHI received subsidies and tax refunds of RMB560.9 million and capital injection of RMB696.1 million from the local government. Considering GJHI's important position in the development of Zhanggong District and its

tight relationship with the local government, we expect that the local government will continue to support GJHI over the next 12 to 18 months.

Increasing debt level with relatively high short-term debt repayment pressure

With ongoing funding for the infrastructure construction projects and their long settlement period, the Company's total debt increased from RMB12.6 billion at end-2024 to RMB13.5 billion at mid-2025, with total capitalization ratio of 44.8%. As of 30 June 2025, its short-term debt accounted for 43.1% of total debt and the unrestricted cash to short-term debt ratio was 0.2x, indicating relatively high short-term debt repayment pressure. With large pipeline of construction projects under construction or planning, the Company will continue to rely on external financing to meet its future capital needs. As a result, we expect that its debt burden will continue to grow in the next 12 to 18 months.

GJHI has relatively low exposure to external guarantees. As of 30 June 2025, GJHI's external guarantees amounted to RMB2.0 billion, accounting for 11.9% of its net assets. The external guarantees are provided to the local state-owned enterprises in Zhanggong District and a joint-stock property development company. We believe the Company's contingent liability risk is manageable.

Weak asset liquidity

GJHI's asset liquidity is weak, which may undermine its financial flexibility. The Company's account receivables, other receivables and inventories accounted for around 82.6% of total assets at mid-2025, all with low liquidity. The inventories are mainly land assets and development costs from agent construction projects and property development projects, and the receivables mainly consist of uncollected payments from the local government and other state-owned enterprises.

Multiple access to fundings with relatively high reliance on non-standard financing

GJHI has access to various sources of fundings, including bank loans, onshore bond financing and non-standard financing. As of 30 June 2025, about 63.4% of the Company's debt financing was the loans provided by domestic banks. The Company's total credit facilities were RMB15.3 billion, of which the unutilized portion was RMB4.0 billion. GJHI also has good access to onshore bond market and has issued onshore bonds through GZCI. As of 30 June 2025, the Company has outstanding onshore bonds of RMB2.7 billion through issuance of MTN and private placement corporate bonds. However, GJHI has relatively high reliance on non-standard financing, which accounted for about 22.2% of total debt at mid-2025, with a relatively high average financing cost of around 6.8%. We consider the Company's diversified funding channels can largely fulfill its future capital expenditure.

ESG Considerations

GJHI bears environmental risks through its agent construction projects. Such risks could be moderated by conducting environmental studies and detailed planning before the commencement of projects and close supervision during the construction.

GJHI involved in real estate construction such as commercial properties in Zhanggong District. The Company is also exposed to social risks due to its role as a public services provider. Demographic changes, public awareness and social priorities shape government's target for GJHI, or affect the government's propensity to support the Company.

GJHI's governance considerations are also material as the Company is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity.

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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