

## Credit Opinion

9 March 2026

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	A <sub>g</sub> -
Outlook	Stable

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## Fujian Jinjiang Construction Investment Holding Group Co., Ltd.

### Surveillance credit rating report

**CCXAP affirms Fujian Jinjiang Construction Investment Holding Group Co., Ltd.'s long-term credit rating at A<sub>g</sub>-, with stable outlook.**

### Summary

The A<sub>g</sub>- long-term credit rating of Fujian Jinjiang Construction Investment Holding Group Co., Ltd. ("FJCI" or the "Company") reflects (1) Jinjiang City 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 Jinjiang City Government's capacity to support reflects the Jinjiang City's robust private sector and strong comprehensive strength, ranked 4<sup>th</sup> 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.

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.

## Rating Drivers

- Dominant strategic role as the largest state-owned enterprise in Jinjiang City
- High sustainability of public policy projects
- Moderate exposure to commercial activities
- Good track record of receiving government support
- Relatively high debt leverage and moderate asset liquidity
- Relatively high reliance on non-standard financing

## Rating Sensitivities

### 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 weakening market position, or material decrease in government payments.

## Key Indicators

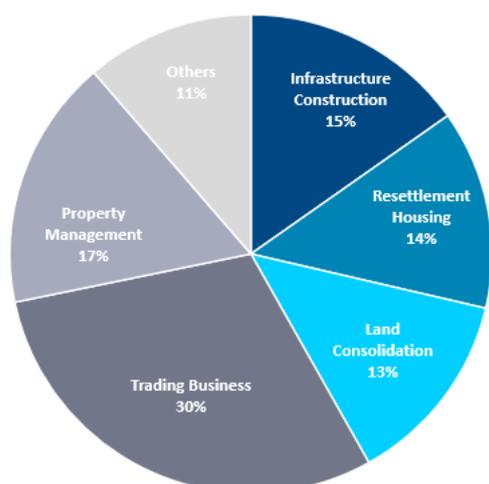
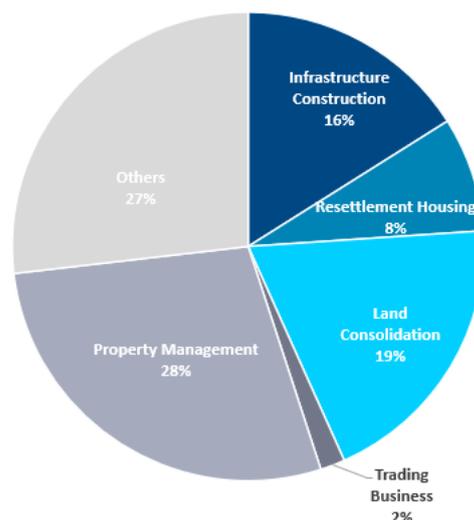
	2022FY	2023FY	2024FY	2025Q3
Total Asset (RMB billion)	126.5	138.4	146.3	155.2
Total Equity (RMB billion)	45.7	46.1	44.9	46.3
Total Revenue (RMB billion)	6.5	6.9	8.1	7.4
Total Debt/Total Capital (%)	58.6	62.3	65.7	66.6

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

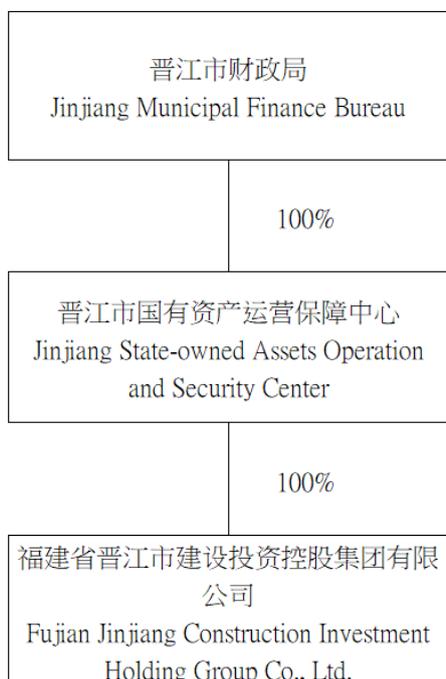
Source: Company data, CCXAP research

## 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.

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

Source: Company information, CCXAP research

**Exhibit 3. Shareholding chart as of 30 September 2025**

Source: Company information, CCXAP research

## Rating Considerations

### Government Capacity to Support

We believe the Jinjiang City Government has a strong capacity to provide support given its economic importance in Quanzhou City, with 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.

Fujian Province, located on the southeastern coast of China, is recognized as one of the country's fastest-growing regions. In 2025, Fujian recorded a gross regional product ("GRP") of RMB5.8 trillion, with a GRP

growth rate of 5.5% year-on-year (“YoY”), ranking 8<sup>th</sup> in terms of GRP among all provinces in China. Additionally, the province’s general budgetary revenue reached RMB361.5 billion.

Quanzhou City, situated in the southeastern part of Fujian Province, connects to Putian and Fuzhou to the north and Xiamen to the south. It is a key area for China’s economic reforms and opening-up initiatives. The city’s pillar industries include textiles, petrochemicals, machinery and equipment, building materials, and home furnishings. Quanzhou’s GRP grew from RMB1309.5 billion in 2024 to RMB1377.8 billion in 2025, with an increase of 5.3% YoY, maintaining its position as the second-largest city in Fujian by GRP. In 2025, the general budgetary revenue is RMB59.2 billion, with an increase of 3.4% YoY. In 2024, the city’s fiscal balance remains moderate, with a revenue-to-expenditure ratio of 67.9%. Quanzhou’s debt burden is also relatively mild, with outstanding local government debt totaling RMB266.1 billion, accounting for 20.3% of GRP.

#### Exhibit 4. Key economic and fiscal indicators of Quanzhou City

	2022FY	2023FY	2024FY
GRP (RMB billion)	1,210.3	1,217.2	1,309.5
GRP Growth (%)	3.5	4.8	6.5
General Budgetary Revenue (RMB billion)	52.7	58.1	57.2
General Budgetary Expenditure (RMB billion)	80.7	85.0	84.3
Local Government Debt (RMB billion)	211.3	234.3	266.1

Source: Statistic Bureau of Quanzhou City, CCXAP research

Jinjiang City, a county-level city under the administration of Quanzhou, covers an area of 649 square kilometers. In 2025, Jinjiang was ranked 4<sup>th</sup> for comprehensive strength among China’s top 100 counties (including county-level cities) by the China Small and Medium Cities Development Index Research Group. Renowned for its manufacturing base, particularly in footwear, textiles, and garments, Jinjiang City has consistently strengthened its economic position. Its GRP grew from RMB336.4 billion in 2023 to RMB386.2 billion in 2025 accounting for 28.9% of Quanzhou’s total GRP. Jinjiang’s general budgetary revenue rose slightly from RMB15.3 billion in 2023 to RMB16.0 billion in 2025. The city ranks first among 11 districts and counties in Quanzhou for both GRP and general budgetary revenue. Jinjiang enjoys strong fiscal self-sufficiency, with a fiscal balance ratio of 86.5% in 2025. However, the city’s local government debt grew to RMB57.8 billion in 2025, representing 15.0% of its GRP.

#### Exhibit 5. Key economic and fiscal indicators of Jinjiang City

	2023FY	2024FY	2025FY
GRP (RMB billion)	336.4	364.7	386.2
GRP Growth (%)	6.2	7.0	5.9
General Budgetary Revenue (RMB billion)	15.3	15.6	16.0
General Budgetary Expenditure (RMB billion)	18.5	17.2	18.5
Local Government Debt (RMB billion)	42.7	49.9	57.8

Source: Statistic Bureau of Jinjiang City, CCXAP research

### Government Willingness to Support

#### Dominant strategic role as the largest state-owned enterprise in Jinjiang City

There are three main LIIFCs in Jinjiang City, including FJCI, Fujian Jinyuan Development Group Co., Ltd. (“FJDG”), and Jinjiang State-owned Capital Investment and Operation Co., Ltd. (“JSCI”). FJCI handles urban

development. FJDG is responsible for infrastructure in Jinjiang ETDZ. JSCI undertakes industrial development, public utilities, and property development. Their roles are well-defined with minimal overlap.

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 for 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. However, it also brings the issue of slow repayment collection progress and large capital expenditure pressure.

The Company's infrastructure construction business includes urban infrastructure construction (mainly municipal construction and street lighting projects) and transportation infrastructure construction (mainly road and bridge construction). FJCI mainly adopts an agency construction model to conduct infrastructure construction projects. As of 30 September 2025, the Company had 5 major infrastructure projects under construction, with a total planned investment amount of RMB8.4 billion and an outstanding amount of RMB2.7 billion.

FJCI also engages in affordable housing construction in Jinjiang City. The business model of the affordable housing construction business is similar to that of the infrastructure construction business. As of 30 September 2025, the Company had 1 major affordable housing project under construction, with a total planned investment amount of RMB2.6 billion and an outstanding amount of RMB944.0 million. In recent years, the overall settlement progress of affordable housing construction projects has been slow.

FJCI focuses on the development of the land consolidation business in Jinjiang City. The Company also adopts an agency construction model under this segment. As of 30 September 2025, the Company had 3 major land development projects under construction, with a total planned investment amount of RMB7.9 billion and an outstanding amount of RMB4.6 billion. However, the project construction period is long, leading to certain capital occupations.

### **Moderate exposure to commercial activities**

In addition to public activities, FJCI is also involved in commercial activities such as property operation, trading, security and protection services, property management and leasing. We consider FJCI's commercial business exposure moderate, as its market-driven businesses accounted for less than 30% of its total assets as of 30 September 2025.

As a key urban operation service provider in Jinjiang City, FJCI is also involved in property operations, management, and leasing. The revenue from this business increased from RMB961.0 in 2023 to RMB1.4 billion in 2024, mainly due to the increased sales volume of remaining resettlement housing and the growth in the delivery of self-developed properties. As of 30 June 2025, the Company had 3 property operation projects under construction, with a total investment amount of RMB2.6 billion and an outstanding amount of RMB528.0 million.

The property operation also had a good gross profit margin of 16.4%, which effectively supplements the Company's overall revenue and profit.

The trading segment serves as a pivotal revenue stream for the Company's core business, and it employs a sale-driven procurement model. The trading portfolio primarily encompasses coal, steel, chemicals, and timber commodities. As of 30 September 2025, the top five suppliers and customers accounted for 45.9% of total purchases and 41.9% of total sales, respectively. In addition, some of the upstream and downstream involve private-owned enterprises with relatively weak operational capabilities, and there is a certain fund recovery risk. The revenue of trading business amounted to RMB2.4 billion in 2024. Notably, the trading segment has maintained a low gross margin. In 2024, the gross margins of the trading segment were 0.6%.

In addition, the Company has broadened its business scope to other businesses, such as security services, urban management services, parking lot operation, vehicle inspection, and maintenance, which also provide supplementary revenue. The associated operating revenues can generate relatively stable operating cash flows. Moreover, the Company's business diversification level and risk-resistance capabilities have also been enhanced.

### **Good track record of receiving government support**

FJCI has a good track record of receiving payments from the Jinjiang City Government. These payments come in various forms, including government subsidies and special government funds. From 2024 to 2024Q5, the local government provided cumulative subsidies of RMB540.4 million to the Company. The Company's paid-in capital increased by RMB100.0 million in 2024. Meanwhile, it also obtained special funds of RMB857.0 million from 2024 to 2025H1. In addition, the Company has also received repurchase payments for its public projects, yet the repayment progress is relatively slow and requires close attention. 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.

### **Relatively high debt leverage with large short-term debt maturities**

Due to the expansion of the construction projects, FJCI demonstrated fast debt growth over the past year. Its total debt (including perpetual debts) increased from RMB76.3 billion at the end of 2023 to RMB92.1 billion as of 30 September 2025, while its adjusted total capitalization ratio increased from 62.3% to 66.6% over the same period, maintaining a relatively high level. In addition, the Company has a certain degree of short-term debt repayment pressure. As of 30 September 2025, its short-term debt accounted for 42.2% of the total debt, and the cash to short-term debt ratio was 0.2x. As the government repayment progress is prolonged, the Company relies on external financing. We expect that considering the substantial future capital requirements, the Company's debt burden will continue to increase within the next 12 to 18 months.

In terms of contingent liability, the Company bears low contingent risks. As of 30 September 2025, its outstanding external guarantee amount was RMB6.0 billion, accounting for 11.2% of its net assets. All external guarantees were provided to local state-owned enterprises.

### **Moderate asset liquidity**

FJCI's asset liquidity is moderate, which may undermine its financial flexibility. In recent years, the construction and settlement progress of infrastructure projects have been relatively slow, resulting in a large amount of capital occupation and hence weakening the 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. The inventories are primarily investment costs for its major construction projects and land reserve, and receivables are mainly unreceived payments from the agencies of government or other state-owned companies, while investment properties are leasable properties, all of which are considered low liquidity. Nevertheless, some of the Company's assets are income-generating and can yield supplementary revenue, such as investment properties.

### Relatively high reliance on non-standard financing

FJCI's debt mainly consists of bank borrowings, non-standard financing, and bond issuances. As of 30 September 2025, approximately 33.1% of its debt was bank loans. The Company maintains a good relationship with large domestic banks. As of 30 September 2025, the Company had obtained a total credit line of RMB60.3 billion from domestic banks, with an available credit line of RMB23.5 billion. Sufficient standby credit lines will effectively alleviate the Company's liquidity pressure and provide important guarantees for debt repayment and capital liquidity. FJCI has issued debts in both onshore and offshore debt capital markets, which accounts for 30.6% of its total debt. However, a relatively large amount of bond financing may make the Company vulnerable to the fluctuations of the capital market. In 2025, the Company's subsidiary issued 2 tranches of offshore bonds with a total issued amount of USD298.0 million. However, the Company has a relatively high exposure to non-standard financing, such as financial leasing, and trustee 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.

### ESG Considerations

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

The Company is also exposed to social risks as a public services provider in Jinjiang City. Demographic changes, public awareness, and social priorities shape the government's target for FJCI or affect the government's propensity to support the Company.

FJCI'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 \(July 2022\)](#).

### Appendix

#### Exhibit 6. Peer Comparison

	Fujian Jinjiang Construction Investment Holding Group Co., Ltd.	Fujian Jinshang Holding Group Co., Ltd.
Long-Term Credit Rating	A <sub>g</sub> -	BBB <sub>g</sub> +
Shareholder	Jinjiang District SASAB	Fujian Jinjiang Industrial Development Investment Group Co., Ltd.
Positioning	Responsible for infrastructure construction and urban operation services	Responsible for the construction of the industrial park and the public utility services

		in Jinjiang City, including water supply and pipeline construction
Total Asset (RMB billion)	155.2	27.3
Total Equity (RMB billion)	46.3	13.8
Total Revenue (RMB billion)	7.4	0.5
Total Debt/Total Capital (%)	66.6	46.3

All ratios and figures are calculated using CCXAP's adjustments based on financial data in 2025Q3.

Source: Company information, CCXAP research

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