

Credit Opinion

12 March 2026

Ratings

Senior Unsecured Debt Rating	BBB _g +
Long-Term Credit Rating	BBB _g +
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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Fujian Jinshang Holding Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Fujian Jinshang Holding Group Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Summary

The BBB_g+ long-term credit rating of Fujian Jinshang Holding Group Co., Ltd. ("FJHG" or the "Company") 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 4th 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.

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.

Rating Drivers

- Important position in industrial development and public utilities services in Jinjiang City
- Medium exposure to commercial activities
- Track record of receiving government support
- Relatively high reliance on non-standard financing
- Moderate asset liquidity
- Rapid debt growth driven by large capital expenditure of construction projects

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 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.

Key Indicators

	2022FY	2023FY	2024FY	2025Q3
Total Asset (RMB billion)	14.3	17.3	21.9	27.3
Total Equity (RMB billion)	9.4	11.1	12.5	13.8
Total Revenue (RMB billion)	0.6	0.6	0.6	0.5
Total Debt/Total Capital (%)	20.4	26.6	39.7	46.3

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

Source: Company data, CCXAP research

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.

Exhibit 1. Revenue structure in 2024

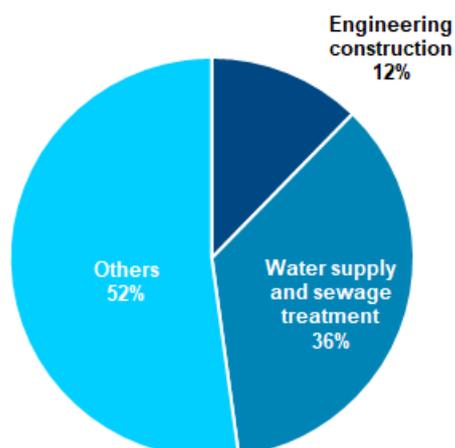
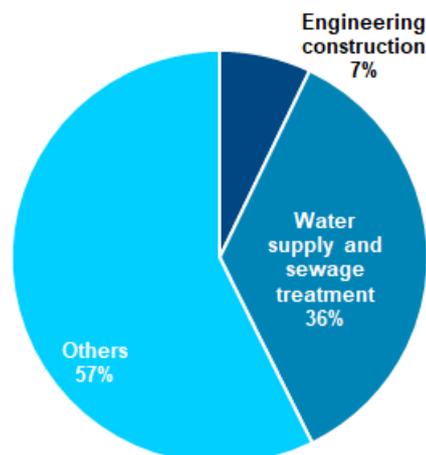
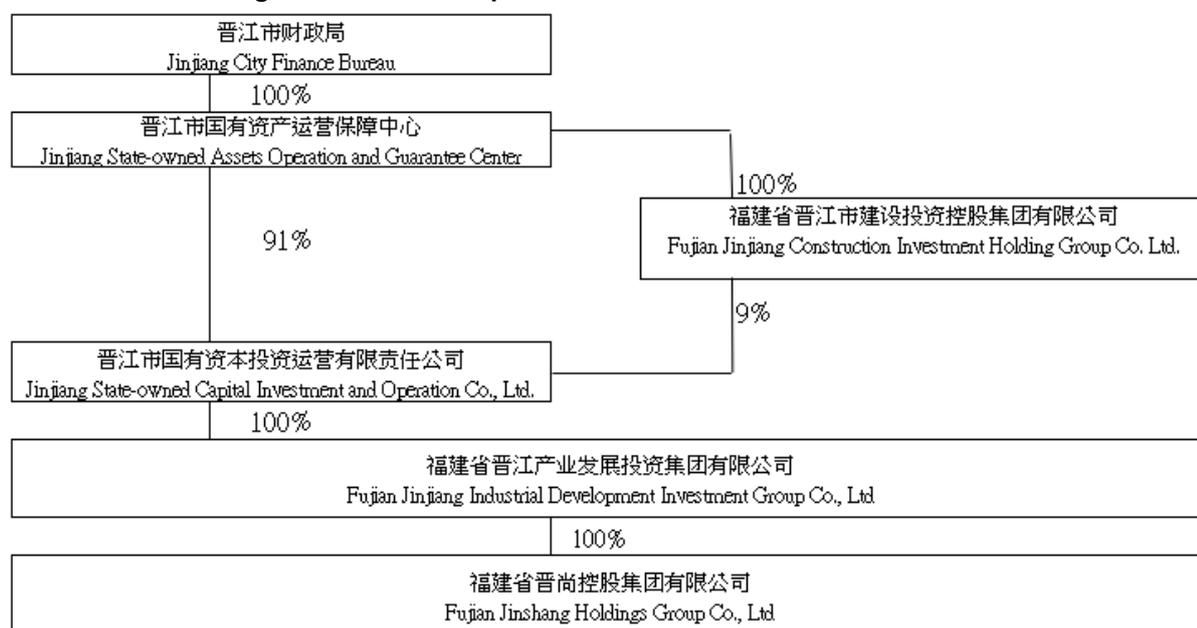


Exhibit 2. Gross profit structure in 2024



Source: Company information, CCXAP research

Exhibit 3. Shareholding chart as of 30 September 2025



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide 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 4th 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 8th 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 was RMB59.2 billion, with an increase of 3.4% YoY. In 2024, the city’s fiscal balance remained 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 4th 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’s Willingness to Provide Support

Important position in industrial development and public utilities services in Jinjiang City

Jinjiang City’s three main LIIFCs are Fujian Jinjiang Construction Investment Holding Group Co., Ltd. (“FJCI”), Fujian Jinyuan Development Group Co., Ltd. (“FJDG”), and Jinjiang State-owned Capital Investment and

Operation Co., Ltd. (“JSCI”). FJID, the subsidiary of JSCI, focuses on industrial development and investment. 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.

As a leading operator in industrial investment and public utilities, FJHG is responsible for water supply and pipeline infrastructure. By 30 September 2025, the Company operated the Meiling Water Plant, with a combined water supply capacity of approximately 450 thousand tons per day. The Company’s water supply services cover six districts in Jinjiang City and neighboring towns, serving approximately one-third of the city’s population. FJHG’s water supply business cash flow and earnings have remained robust, benefiting from its strong cash-generating capacity and ongoing cost control. The water supply business posted a gross profit margin of 43.8% in 2024. Additionally, the Company provides water pipeline services for local residents and organizations in Jinjiang. As of 30 September 2025, the Company had 18 contracts on hand, with a total value of RMB55.7 million. However, the pipeline construction business is sensitive to fluctuations in the local real estate market.

Under the government-entrusted project model, FJHG is responsible for constructing and operating the science park infrastructure, involving land pre-development (e.g., requisition and relocation) and the construction of municipal infrastructure such as roads, parks, firefighting facilities, and waste management systems. The project funding comes primarily from project capital allocated by the Jinjiang Finance Bureau and self-financed funds. Most of the agency projects were completed and the government project payments have been collected.

Additionally, FJHG is the sole grain rotation entity in Jinjiang City, primarily engaged in procuring, storing, and selling wheat and other grains within Fujian Province. Given the public nature of the business, the Company has obtained subsidies from the local government. Besides, the procurement and sale of grain is market-driven, with most transactions settled on a cash-and-carry basis, though it offers limited credit sales to a few long-term partners.

Medium exposure to commercial activities

In addition to its public utility operations, FJHG engages in a variety of commercial activities. The primary commercial business is industrial park development, while other ventures include construction services, leasing and selling retail spaces in the Jinjiang Shoe and Textile Mall and property management. As of 30 September 2025, commercial assets accounted for more than 30% of the Company’s total assets. The revenue from commercial business has increased in 2024, but remained relatively small scale. 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.

As an important industrial development entity in Jinjiang City, FJHG has undertaken a number of industrial park construction and operation projects under the self-operated mode. As of 30 September 2025, the Company had 8 major industrial park projects in the construction stage. The total planned investment amounted to RMB23.4 billion, with an uninvested amount of RMB16.1 billion. Given that part of the construction funds for these projects are covered by government special bonds, the capital expenditure pressure for the Company is manageable. The Company intends to generate revenue from these projects through comprehensive operations, including leasing and sale of factory buildings. In the first nine months of 2025, the industrial park construction and operation business recorded a revenue of RMB21.3 million, with very high profit margin. Overall, the future operations and financial balance of the self-operation projects are subject to uncertainty, given their large capital

needs.

FJHG is also engaged in commercial property development. FJHG's completed commercial real estate projects include Jinjiang International Shoes Textile Mall Areas A, B, C, and D (for sale and for lease), and the commercial supporting facilities in the Jinjiang International Shoes Textile Mall (for lease). The investment promotion in Shoes Textile Mall Areas A, B, C, and D has been basically completed, and no new sales revenue will be generated in the future. As of 30 September 2025, the leased area was 186.1 thousand sqm, and the unleased area was 162.6 thousand sqm. In the first nine months of 2025, the commercial property development business recorded a revenue of RMB60.6 million, with profit margin of 81.9%.

Furthermore, the Company is involved in other smaller operations, including merchandise wholesale and management business, pharmaceutical wholesaling and slaughterhouse operations. These businesses have done well in expanding the Company's revenue sources.

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. From January 2024 to September 2025, the local government had provided subsidies of about RMB92.2 million to the Company. In addition, the Company received RMB1.8 billion in special bond funds and RMB267.4 million in agency project payments over the same period. Given its critical role in driving regional economic development, FJHG is expected to continue receiving robust government support for its operations.

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%. Moreover, the Company is subject to relatively high short-term repayment pressure. As of 30 September 2025, its short-term debt accounted for 36.4% of its total debt, and its cash-to-short-term debt ratio was around 0.4x. Considering the substantial capital requirements for upcoming projects, the Company's debt burden is expected to grow in the next 12 to 18 months.

Meanwhile, as of 30 September 2025, the Company provided external guarantees of RMB439.0 million, representing 3.2% of its net assets. As all of the external guarantees were provided to local state-owned enterprises, we believe the contingent risk is manageable. If credit events occur, we believe the government is likely to provide necessary support.

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 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. The Company has a certain amount of cash reserve to support daily operations and debt repayment. It owned a cash reserve of RMB1.9 billion, accounting for 7.0% of total assets, which provides a reliable source of funding for its daily operations and debt repayments. 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. As of 30 September 2025, 57.7% of the Company's debt were bank loans. The Company has obtained credit lines totaling RMB10.0 billion from domestic banks, of which RMB2.0 billion remains unused. The Company further expanded its funding channel to offshore bond market. 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.

ESG Considerations

FJHG bears environmental risks through its infrastructure projects. Such risks could be moderated by conducting ecological 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 FJHG or affect the government's propensity to support the Company.

FJHG'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.

Structural Consideration

FJHG's senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its role as most important entity for industrial development and public utilities services in Jinjiang City, thereby mitigating any differences in an expected loss that could result from structural subordination.

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 _g -	BBB _g +
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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