Credit Opinion

22 July 2026

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

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Ganzhou Urban Investment Holding Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Ganzhou Urban Investment Holding Group Co., Ltd.'s long-term credit rating at A_g-, with stable outlook.

Summary

The A_g- long-term credit rating of Ganzhou Urban Investment Holding Group Co., Ltd. ("GUIH" or the "Company") reflects Ganzhou 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 Ganzhou Municipal Government's capacity to support reflects Ganzhou City's status as the provincial sub center city in Jiangxi Province, with ongoing economic and fiscal growth.

The rating also reflects the local government's willingness to support, which is based on the Company's (1) important role in infrastructure construction of Ganzhou City; (2) sufficient reserve of public infrastructure projects; and (3) good track record of receiving government support.

However, the rating is constrained by the Company's (1) medium exposure to commercial activities; (2) relatively high debt burden and short-term debt pressure; and (3) weak asset liquidity.

The stable outlook on GUIH'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 Ganzhou City over the next 12 to 18 months.

Rating Drivers

- Important role in infrastructure construction of Ganzhou City
- Sufficient reserve of public infrastructure projects
- Medium exposure to commercial activities
- Good track record of receiving government support
- Relatively high debt burden and short-term debt pressure
- Weak asset liquidity
- Moderate access to funding

Rating Sensitivities

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 strengths the local government's willingness to support, such as decrease in exposure to commercial activities 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.

Key Indicators

	2023FY	2024FY	2025FY
Total Asset (RMB billion)	158.4	161.9	165.7
Total Equity (RMB billion)	61.2	62.0	64.5
Total Revenue (RMB billion)	4.5	4.7	3.8
Total Debt/Total Capital (%)	56.0	55.7	53.4

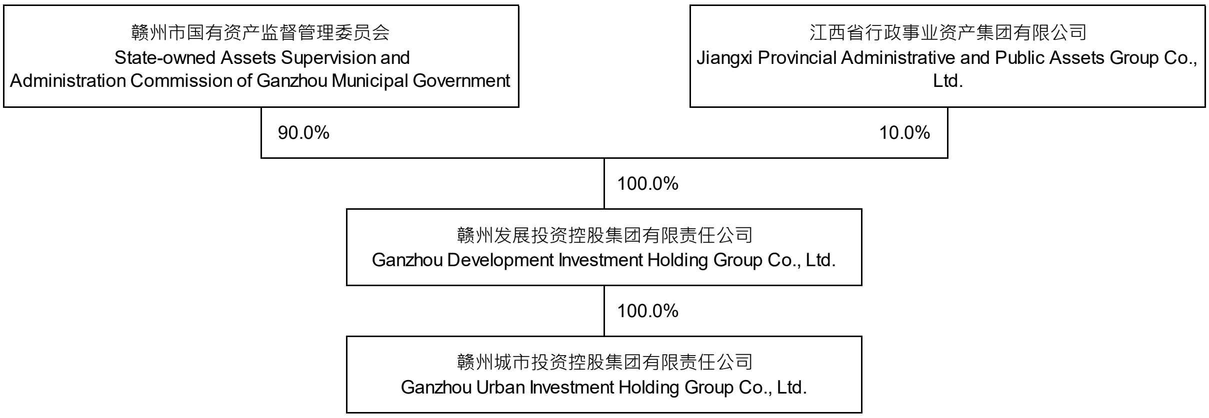
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

Established in 2009, GUIH is an important local infrastructure investment and financing company in Ganzhou City. The Company primarily focuses on urban development activities including infrastructure construction and shantytown renovation projects. It is also involved in other commercial activities such as trading and construction services. GUIH is a wholly-owned subsidiary of Ganzhou Development Investment Holding Group Co., Ltd. ("GDIH"). GDIH is 90% owned by the State-owned Assets Supervision and Administration Commission of Ganzhou Municipal Government ("Ganzhou SASAC") and 10% by Jiangxi Provincial Administrative and Public Assets Group Co., Ltd., with Ganzhou SASAC being the ultimate controlling shareholder.

Exhibit 1. Shareholding chart as of 31 December 2025



Source: Company information, CCXAP research

Exhibit 2. Revenue structure in 2025

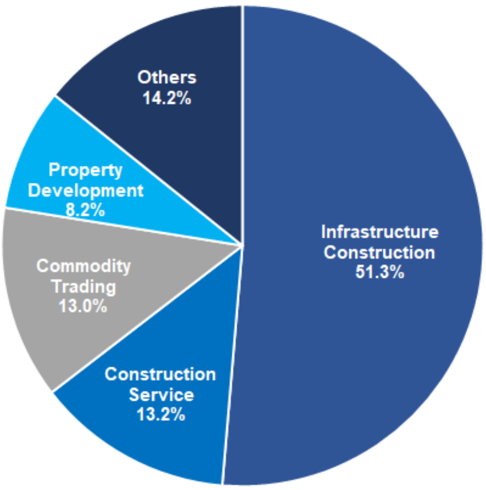
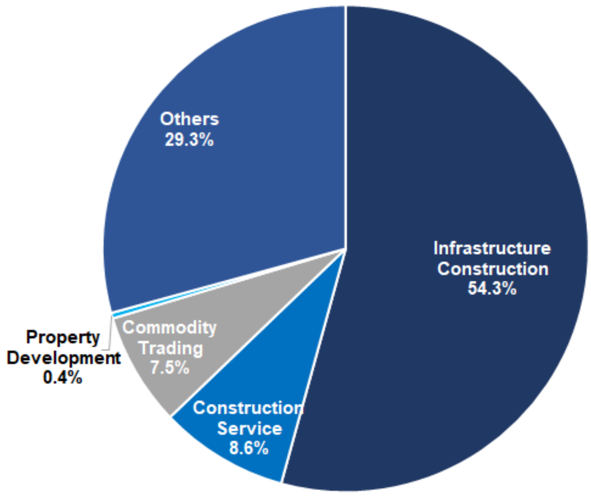


Exhibit 3. Gross profit structure in 2025



Source: Company information, CCXAP research

Rating Considerations

Government Capacity to Support

We believe Ganzhou Municipal Government has very strong capacity to provide support, given Ganzhou City's status as the provincial sub center city in Jiangxi Province, with ongoing economic and fiscal growth.

Jiangxi Province is located in the central-southeastern China, along the southern bank of the middle and lower reaches of the Yangtze River. The province is rich in non-ferrous metal resources, and has formed national advanced manufacturing clusters such as copper-based new materials and rare earth new materials and application. Its pillar industries also include electronic information, equipment manufacturing, and new energy. Its economic strength improved steadily with gross regional product ("GRP") increasing by 5.2% year-over-year ("YoY") to RMB3.6 trillion, ranking 15th among all provinces in China. In the first quarter of 2026, Jiangxi Province achieved a GRP of RMB857.4 billion, with a YoY growth of 5.0%, rising to 14th place nationally. Its general budgetary revenue rose slightly from RMB306.7 billion in 2024 to RMB307.9 billion in 2025, with tax income accounting for approximately 64.6% of the general budgetary revenue over the past three years, reflecting moderate fiscal stability. However, Jiangxi Province faces a relatively heavy debt burden. In 2025, its government debt reached RMB1.7 trillion, accounting for around 48.4% of its GRP.

As a provincial sub center city located in the southern part of Jiangxi Province, Ganzhou City possesses strategic resource advantages, with abundant mineral resources. With the continued development of traditional industries like nonferrous metal mining and emerging industries such as electronic information and biomedicine, Ganzhou City's economy has maintained steady growth in recent years. In 2025, Ganzhou City's GRP increased by 5.5% YoY to RMB522.1 billion, ranking 2nd among all cities in Jiangxi Province. In the first quarter of 2026, Ganzhou City achieved a GRP of RMB124.3 billion, representing a 6.9% YoY increase. Ganzhou Municipal Government's general budgetary revenue increased from RMB32.8 billion in 2024 to RMB33.4 billion in 2025. However, its fiscal balance ratio is relatively low, averaging 28.9% over the past three years, indicating high reliance on upper-level government subsidies. As of end-2025, its outstanding governmental debt amounted to RMB276.4 billion, equivalent to 52.9% of its GRP.

Exhibit 4. Key economic and fiscal indicators of Ganzhou City

	2023FY	2024FY	2025FY
GRP (RMB billion)	460.6	494.0	522.1
GRP Growth (%)	5.3	5.4	5.5
General Budgetary Revenue (RMB billion)	32.0	32.8	33.4
General Budgetary Expenditure (RMB billion)	110.1	116.9	112.6
Local Government Debt (RMB billion)	190.3	232.2	276.4

Source: Statistics Bureau of Ganzhou City, CCXAP research

Government Willingness to Support

Important role in infrastructure construction of Ganzhou City

There are mainly 4 state-owned investment and construction operation entities under the control of Ganzhou SASAC, each with distinct functions in the city's development. Among them, GDIH is the largest state-owned capital investment platform for major industrial and infrastructure project investment and financing in Ganzhou City. As the key subsidiary of GDIH, GUIH is positioned as the primary urban infrastructure investment and construction entity and the main force behind major public projects in Ganzhou City. The Company undertakes significant responsibilities in the construction and operation of Ganzhou's urban infrastructure and maintains a dominant market position within the region. It has completed a large number of infrastructure and public projects, including roads, expressways, tunnels, bridges, affordable housing, and public facilities, which have greatly contributed to the region's urbanization. Given its critical strategic role in the development of Ganzhou City, we believe the Company is unlikely to be replaced by other local state-owned enterprises in the foreseeable future.

Sufficient reserve of public infrastructure projects

Positioned by the Ganzhou Municipal Government as the primary infrastructure investment platform, the Company undertakes large amount of infrastructure construction projects. With a substantial project pipeline, the Company has sound business sustainability, but with certain capital expenditure pressure.

GUIH develops urban infrastructure projects under an agency construction model in accordance with the specifications and requirements of the government. Upon project completion, the Company receives an agreed-upon markup. These projects are financed through the Company's own funds and government funds, with most of the projects supported by government funding. As of 31 December 2025, the Company had 5 major infrastructure construction projects under construction, with a total planned investment of RMB9.8 billion and an uninvested amount of RMB3.9 billion. The Company also had 3 infrastructure construction projects under planning, with a total investment amount of RMB2.0 billion. With a substantial project pipeline, the Company has sound business sustainability. Nevertheless, it faces capital occupation risks due to a large number of unsettled projects, which depend on government fiscal arrangements. As of end-2025, the Company had a total planned repayment amount of RMB32.6 billion from completed agency construction projects, but had only received RMB3.9 billion in actual repayments between 2023 and 2025, indicating significantly delayed repayment progress.

GUIH is commissioned to conduct shantytown redevelopment work in Ganzhou City under government purchasing service model. The Company enters into service purchase agreements with relevant government departments and finances the projects through its own funds. As of 31 December 2025, the Company had completed 1 shantytown redevelopment project with a total invested amount of RMB12.2 billion, and had received RMB1.2 billion in repayments. Meanwhile, the Company had 1 ongoing shantytown redevelopment project with invested amount of RMB7.3 billion and a remaining investment of RMB131.0 million. Furthermore, with no government service purchasing projects under planning and existing projects approaching completion, the sustainability of this business is subject to uncertainty.

Besides, as of 31 December 2025, the Company had 5 self-operated infrastructure projects under construction with a total planned investment of RMB9.5 billion and an uninvested amount of RMB7.6 billion, demonstrating certain funding pressure. These projects cover shantytown renewal, sewage treatment, new energy charging facilities, and photovoltaic power generation. Upon completion, financial balance will be achieved through operating income and housing sales.

Medium exposure to commercial activities

GUIH's commercial businesses mainly include construction services, property development and trading. We consider the Company’s exposure to commercial businesses to be medium, accounting for around 15% of its total assets.

GUIH operates in the construction services sector through its subsidiary, securing projects via both public tender and negotiated bidding. It generates revenue by undertaking municipal and local government construction projects on a general or professional contracting basis. The revenue from construction services decreased from RMB633.6 million in 2024 to RMB505.5 million in 2025, while the gross profit margin fell from 18.2% to 10.5%, mainly due to the downturn in the construction industry. In 2025, the Company signed 7 new contracts with an aggregate contract value of RMB602.9 million. As of 31 December 2025, the Company had 34 construction projects in progress, with a total contract value of RMB7.9 billion and cumulative repayments of RMB4.6 billion. In addition, the Company had 5 proposed projects with a total contract value of RMB675.0 million, ensuring its business sustainability.

The Company also engages in property development business, primarily involving the development and commercial sale of residential housing in Ganzhou City. Revenue from property development increased from RMB285.1 million in 2024 to RMB315.0 million in 2025, while the gross profit margin fell sharply from 17.7% to 0.7%, mainly due to price reductions to stimulate sales in response to the downturn in the real estate market. As of 31 December 2025, the Company had 3 residential housing projects under construction, with a total planned investment of RMB3.5 billion and an uninvested amount of RMB1.9 billion. Meanwhile, the Company had 3 completed housing projects with an average selling rate of over 95%, which involved a total investment of RMB2.2 billion and recognized revenue of RMB3.3 billion. Besides, the Company has no real estate development projects under planning.

The Company also participates in commodity trading business through its subsidiaries. It supplies steel products, asphalt, concrete, river sand, and other building materials for construction use, as well as agricultural and sideline products, with its business operations primarily concentrated within Ganzhou City. The revenue from trading decreased from RMB1.6 billion in 2024 to RMB496.4 million in 2025, primarily due to the downturn in the construction and real estate markets, which led to a contraction in building material sales. In addition, the Company faces concentration risks in both its supply chain and customer base, with its top 5 suppliers accounting for 57.5% of total procurement and top 5 customers representing 62.1% of total sales in 2025.

Good track record of receiving government support

As an important urban development and operation entity in Ganzhou City, the Company has a proven history of receiving support from Ganzhou Municipal Government through various channels, including subsidies, asset injections, capital injections, and equity transfers. In 2025, the Company received government subsidies of RMB591.7 million to support its daily operations. In the same year, the Company received asset injections totaling RMB962.1 million in the form of talent housing and other real estate properties, as well as equity interest injections of RMB71.1 million. In addition, Ganzhou Rongjiang New Area Infrastructure Construction Investment Management Co., Ltd., a 90%-owned subsidiary of the Company, received a cash injection of RMB2.0 billion from the Finance Bureau of Rongjiang New Area. The continuous and robust support from the local government has enhanced the Company’s capital strength. Given its important position in the development of Ganzhou City, we believe that the Ganzhou Municipal Government will continue to provide support to the Company.

Relatively high debt burden and short-term debt pressure

Due to ongoing capital expenditure for construction projects, GUIH’s total debt remained at a high level over the past three years. The Company’s total debt decreased slightly from RMB76.9 billion at end-2024 to RMB74.0 billion at end-2025, mainly due to the repayment of certain long-term debts, which also shortened the debt maturity profile. As a result, the total capitalization ratio fell from 55.7% to 53.4% over the same period. Meanwhile, the Company’s short-term debt increased from RMB19.0 billion at end-2024 to RMB25.5 billion at end-2025, with the short-term debt to total debt ratio rising from 24.7% to 34.5%. As of end-2025, the cash-to-short-term-debt ratio was only 0.2x, indicating insufficient cash flow to service its short-term debts. With a large pipeline of projects under construction, the Company will continue to rely on external financing to meet its future capital expenditure needs. As a result, we expect that its debt burden will remain high over the next 12 to 18 months.

Besides, GUIH has certain fund recovery risks from its external guarantees. As of 31 December 2025, the Company’s external guarantees amounted to RMB3.2 billion, representing about 5.0% of its net assets. Most of these guarantees were extended to local state-owned enterprises. However, as of end-2025, a subsidiary of the Company had made indemnification payments totaling RMB840.0 million in respect of guaranteed loans to 3 private-owned enterprises, indicating recovery risk of the funds.

Weak asset liquidity

GUIH’s asset liquidity is relatively weak, which may undermine its financial flexibility. The Company’s assets mainly consist of inventories and receivables with low liquidity. The inventories are development costs from construction projects, while the receivables mainly consist of uncollected payments from the local government and other state-owned enterprises, with a counterparty being listed as dishonest judgment debtor, totally accounting for 84.0% of its total assets at end-2025. In addition, as of 31 December 2025, the amount of restricted assets was RMB4.5 billion, accounting for 2.7% of total assets, which were mainly pledged as bank collateral.

Moderate access to funding

As an important municipal platform in Ganzhou City, GUIH has diversified access to funding from banks and the bond market. It maintains a good relationship with diversified policy banks and major domestic commercial banks. As of 31 December 2025, it had obtained total credit facilities of RMB72.8 billion, with an available amount of RMB49.5 billion, indicating sufficient standby liquidity. The Company also has access to debt capital markets. As of 30 June 2026, the Company and its subsidiaries had outstanding onshore debts of RMB32.9 billion, with a low average coupon rate of 2.6%. Meanwhile, the Company also had 4 offshore bonds outstanding, totaling about USD623.1 million. However, the Company has a medium exposure to non-standard financing such as financial leasing, which accounted for 17.1% of its total debt as of 31 December 2025.

ESG Considerations

GUIH assumes environmental risks through its urban infrastructure projects. Such risks could be moderated through environmental studies and detailed planning prior to the start of the projects and close supervision during construction.

In terms of social awareness, GUIH has played a crucial role in the social welfare of Ganzhou City by involving the construction of public projects and shantytown redevelopment projects in Ganzhou City.

In terms of corporate governance, GUIH's governance considerations are also material as the Company is subject to local government oversight and reporting requirements, 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).

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.

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