

## Chengdu Jianjiang Investment Group Co., Ltd.

### Summary

|               |                                            |
|---------------|--------------------------------------------|
| Issuer Rating | BBB+                                       |
| Outlook       | Stable                                     |
| Location      | China                                      |
| Industry      | Local Investment and Development Companies |
| Date          | 6 November 2025                            |

Lianhe Ratings Global Limited (“Lianhe Global”) has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Chengdu Jianjiang Investment Group Co., Ltd. (“CJIG” or “the company”)

### Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Pengzhou City, Chengdu City (“Pengzhou government”) would provide very strong support to CJIG if needed, in light of its full ownership of CJIG, CJIG’s strategic importance as the sole local investment and development company (“LIDC”) that is responsible for infrastructure construction and state-owned asset management in Pengzhou City (“Pengzhou”), Chengdu City (“Chengdu”), and the linkage between the Pengzhou government and CJIG, including appointment of the senior management, strategic alignment, supervision of major investment and financing plan decisions and ongoing operational and financial support. In addition, the Pengzhou government may face significant negative impact on its reputation and financing activities if CJIG encounters any operational and financial difficulties.

Pengzhou is a county-level city under the direct jurisdiction of Sichuan Province and administered by Chengdu. In 2024, Pengzhou’s GDP grew steadily by 6.5% to RMB71.5 billion, while its budgetary revenue increased by 2.1% to RMB4.3 billion.

The Stable Outlook reflects our expectation that CJIG’s strategic importance would remain intact while the Pengzhou government will continue to ensure CJIG’s stable operation.

### Rating Rationale

**Government’s Ownership and Supervision:** The Pengzhou government holds 100% ownership of CJIG via the Pengzhou State-owned Assets Supervision and Administration Bureau (“Pengzhou SASAB”), which is both the sole shareholder and actual controller of the company. The Pengzhou government has the final decision-making authority and supervision over the company, including appointment and supervision of the senior management, strategy alignment and major investment and financing plan decisions, etc. In addition, the Pengzhou government formulates a performance assessment mechanism for the company and appoints auditors to review the company’s operating performance and financial position on a periodic basis.

**Strategic Alignment and Importance:** CJIG is the sole LIDC that is responsible for infrastructure construction and state-owned assets management in Pengzhou. The company mainly engages in municipal projects construction, urban renovation and resettlement housing construction in Pengzhou with strong regional advantage. It also engages in property sales and leasing, sand and other building material sales in Pengzhou. CJIG plays an important role in promoting the economic and social development of the region. Its business operation and strategic planning have been aligned with the government’s development plans.

**Strong Government Support:** CJIG continued to receive financial subsidies and asset/capital injections from the Pengzhou government to support its business operations. Between 2022 and the first six months of 2025, CJIG received financial subsidies of RMB1.1 billion from the Pengzhou government. Meanwhile, the company received asset and capital

### Analysts

Jack Li, CESGA  
(852) 3462 9585  
[jack.li@lhratingsglobal.com](mailto:jack.li@lhratingsglobal.com)

Joyce Huang, CFA  
(852) 3462 9586  
[joyce.huang@lhratingsglobal.com](mailto:joyce.huang@lhratingsglobal.com)

### Applicable Criteria

China Local Investment and Development Companies Criteria (31 July 2025)

injections from the Pengzhou government in the form of cash, lands, buildings, construction projects, equity transfers and other assets. We believe the government support will remain intact given the company's strategic importance in Pengzhou.

**CJIG's Financial and Liquidity Position:** CJIG's asset base expanded over the past three years as it actively participated in Pengzhou's project development. Its asset size reached RMB138.2 billion at end-June 2025, up from RMB118.6 billion at end-2022. The company mainly relied on borrowings to finance its construction projects. As a result, CJIG's financial leverage, as measured by debt-to-capitalization, rose to 54.8% at end-June 2025 from 48.5% at end-2022.

CJIG's short-term debt servicing pressure is moderately high. At end-June 2025, the company's short-term debt totaled about RMB17.8 billion, compared with RMB9.1 billion of cash on hand. Yet CJIG retains access to a range of funding channels, including bank borrowings, onshore and offshore bond issuance and non-traditional financing. The company had a total credit facility of RMB87.1 billion, of which RMB23.9 billion was unused, at end-September 2025.

## Rating Sensitivities

We would consider downgrading CJIG's rating if (1) there is perceived weakening in support from the local government, particularly due to its reduced strategic importance, or (2) there is a significant reduction of the local government's ownership of CJIG, or (3) there is a downgrade in our internal credit assessment on the Pengzhou government.

We would consider upgrading CJIG's rating if there is an upgrade in our internal credit assessment on the Pengzhou government.

## Operating Environment

### Economic Condition of Pengzhou

| <b>Pengzhou's Economy Condition</b>                                |             |             |             |
|--------------------------------------------------------------------|-------------|-------------|-------------|
| <b>(RMB billion)</b>                                               | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| GDP                                                                | 63.9        | 66.1        | 71.5        |
| -Primary industry (%)                                              | 10.5        | 10.0        | 8.7         |
| -Secondary industry (%)                                            | 56.2        | 54.8        | 51.8        |
| -Tertiary industry (%)                                             | 33.3        | 35.2        | 39.5        |
| GDP growth rate (%)                                                | 5.0         | 3.1         | 6.5         |
| Fixed asset investment growth rate (%)                             | 8.1         | -2.5        | 10.0        |
| Population (million)                                               | 0.8         | 0.8         | 0.8         |
| <i>Source: Public information and Lianhe Global's calculations</i> |             |             |             |

Pengzhou is a county-level city under the direct jurisdiction of Sichuan Province and administered by Chengdu. Ranked as one of 100 Top Counties in China, Pengzhou is an industrial city featured with oil processing, medicines, building material, etc. Pengzhou has jurisdiction over 4 streets and 9 towns, with a land area of 1,421 square kilometers. At end-2024, Pengzhou had a resident population of 0.8 million, with an urbanization rate of 63.9%.

Pengzhou's economy maintained stable growth in the past few years and its GDP reached RMB71.5 billion in 2024, representing a year-on-year growth of 6.5% (2023: 3.1%). Pengzhou's economic growth was mainly fueled by secondary and tertiary industries, which accounted for 51.8% and 39.5% of GDP in 2024, respectively. The GDP per capita of Pengzhou was RMB91,600 in 2024, demonstrating an upward trend.

## Fiscal Condition of Pengzhou

| <b>Pengzhou 's Fiscal Condition</b>  |             |             |             |
|--------------------------------------|-------------|-------------|-------------|
| <b>(RMB billion)</b>                 | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| Budgetary revenue                    | 4.1         | 4.2         | 4.3         |
| Budgetary revenue growth rate (%)    | 2.6         | 1.6         | 2.1         |
| Tax revenue                          | 2.8         | 2.9         | 2.8         |
| Tax revenue (% of budgetary revenue) | 66.9        | 68.6        | 64.4        |
| Government fund income               | 3.4         | 3.4         | 3.4         |
| Transfer payment                     | 3.7         | 3.6         | 4.8         |
| <b>Aggregate revenue</b>             | <b>11.2</b> | <b>11.3</b> | <b>12.5</b> |
| Budgetary expenditure                | 6.6         | 6.7         | 7.1         |
| Budget balance <sup>1</sup> (%)      | -60.0       | -60.4       | -66.2       |
| Government debt ratio (%)            | 73.7        | 80.3        | 90.2        |

<sup>1</sup> Budget balance = (1-budgetary expenditure / budgetary revenue) \* 100%

Source: Public information and Lianhe Global's calculations

The budgetary revenue of the Pengzhou government increased to RMB4.3 billion in 2024 from RMB4.2 billion in 2023, representing a growth of 2.1%, with the contribution of tax revenue declining to 64.4% from 68.6% over the same period. The fiscal self-sufficiency rate of the Pengzhou government remained weak, with the budget deficit increasing to 66.2% in end-2024, compared with 60.4% in 2023. Having said that, the Pengzhou government received transfer payment from the higher government every year.

The outstanding debt of the Pengzhou government kept growing in past few years. At end-2024, the Pengzhou government's outstanding debt increased to RMB11.2 billion from RMB9.0 billion at end-2023, mainly due to the issuance of special purpose bonds to support local infrastructure and public projects. Besides, its government debt ratio, as measured by the total government debt to aggregate revenue, increased to 90.2% at end-2024 from 80.3% at end-2023.

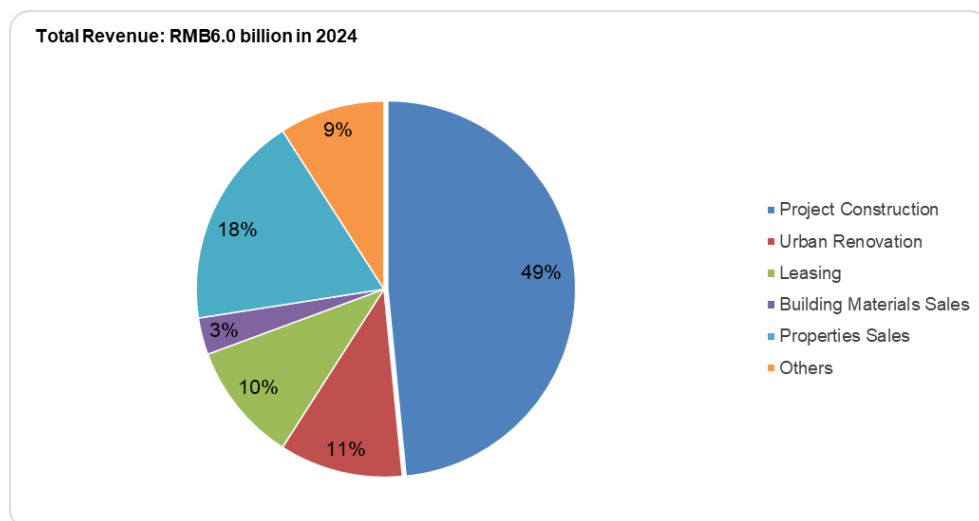
## Company Profile

### Ownership Structure

CJIG was established in March 2008 with an initial registered capital of RMB0.5 million, funded by Pengzhou Modern Transportation and Logistics Co., Ltd.

After an array of equity transfers and capital injections, CJIG's registered capital and paid-in capital were both RMB3.6 billion at end-September 2025. The company is now wholly owned and actually controlled by Pengzhou SASAB.

## Revenue Breakdown



Source: The company's financial reports and Lianhe Global's calculations

CJIG, as an important LIDC in Pengzhou, is mainly responsible for infrastructure construction and state-owned asset operation within the region, with a strong regional franchise advantage. The primary source of operating revenue for the company is project construction and urban renovation, while it also engaged in leasing, building materials sales, properties sales, property service, guarantee, etc. The company's total revenue reached RMB5.2 billion, RMB6.0 billion and RMB6.0 billion in 2022, 2023 and 2024, respectively. The overall gross margin of the company remained relatively stable at 20% over the same period.

CJIG undertakes project construction business within Pengzhou, including the construction of roads, municipal facilities, resettlement housing, etc. The projects in this segment are generally conducted under agent-construction model, where the company signs agent-construction agreements with local government and SOEs and is responsible for fundraising and construction of entrusted projects. The revenue derived from this segment reached RMB2.9 billion in 2024 with a gross margin of 13.3%. CJIG also undertakes urban renovation business in Pengzhou. It is responsible for fundraising and construction of entrusted projects, and the entrusting party will pay service fees to the company annually according to the agreements. The revenue derived from this segment reached RMB642 million in 2024 with a gross margin of 31.4%. The company still faces certain required investment in its ongoing projects at end-2024.

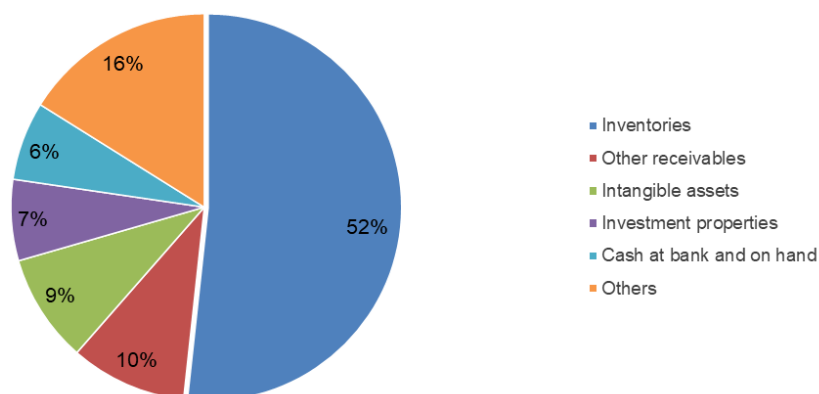
Leasing business of CJIG mainly involves the leasing of roads, properties, pipeline networks, etc. The company signed a long-term lease for the roads with local government agencies and SOEs, ensuring the stability and sustainability of leasing revenue. The revenue of this segment reached RMB620 million in 2024. Besides, as the sole entity responsible for sand and gravel mining in Pengzhou, the company enjoys a strong franchise advantage over building materials sales business.

The properties sales business is mainly handled by one of the company's subsidiaries, Chengdu Mengjiang Investment Group Co., Ltd., which undertakes both commercial housing and resettlement housing projects in Pengzhou. The revenue generated from this segment reached RMB1.1 billion in 2024. The gross profit margin of this segment remained relatively stable at 11.2%.

The company also operates other businesses including property service, guarantee, etc., making the company's income structure more diversified while forming a better complement to the company's overall income.

### Assets Breakdown

Total assets: RMB138.2 billion at end-June 2025



Source: The company's financial reports and Lianhe Global's calculations

CJIG's total asset increased to RMB138.2 billion at end-June 2025 from RMB118.6 billion at end-2022, as the company actively participated in infrastructure project development within Pengzhou. The company relied on both borrowings and capital injections from the local government to fund its asset expansion. CJIG's total debt reached RMB68.2 billion at end-June 2025, which was 28.1% higher than that at end-2022 (RMB53.2 billion). The company's financial leverage, as measured by debt-to-capitalization, rose to 54.8% at end-June 2025 from 48.5% at end-2022.

CJIG's asset liquidity was relatively weak, as the company had accumulated sizable inventories of RMB71.5 billion (mainly construction costs and lands to be developed), representing 51.7% of total asset at end-June 2025. These assets usually take a long time to monetize due to the protracted construction and payment collection period. At the same time, account receivables and other account receivables added up to RMB22.1 billion, representing 16.0% of total asset. They were primarily due from government agencies and their repayment schedules are highly subject to the fiscal conditions of the local government. In addition, the company had a large amount of intangible asset (mainly sand mining right), which accounted for 9.1% of total asset.

#### Key Financial Data

| (RMB million)                  | 2022    | 2023    | 2024    | 1H2025  |
|--------------------------------|---------|---------|---------|---------|
| Total Assets                   | 118,643 | 118,220 | 132,816 | 138,170 |
| Equity                         | 56,588  | 52,279  | 56,120  | 56,276  |
| Debt                           | 53,208  | 57,637  | 65,219  | 68,181  |
| Debt / (Debt + Equity) (%)     | 48.5    | 52.4    | 53.7    | 54.8    |
| Unrestricted cash/ST Debts (x) | 0.5     | 0.3     | 0.2     | 0.4     |
| Debt/EBITDA (x)                | 28.5    | 36.1    | 37.3    | -       |
| Revenue                        | 5,200   | 6,009   | 6,030   | 2,497   |
| Operation Profit               | 920     | 849     | 921     | 336     |
| Gross Margin (%)               | 20.8    | 20.3    | 19.2    | 19.8    |



|                                             |       |      |      |       |
|---------------------------------------------|-------|------|------|-------|
| Cash from sales or services/<br>revenue (%) | 106.9 | 89.0 | 84.5 | 110.4 |
|---------------------------------------------|-------|------|------|-------|

*Source: The company and Lianhe Global's calculations*

## Disclaimer

Ratings (including credit ratings and other rating products) and research reports published by Lianhe Ratings Global Limited ("Lianhe Global" or "the Company" or "us") are subject to certain terms and conditions. Please read these terms and conditions at the Company's website: [www.lhratingsglobal.com](http://www.lhratingsglobal.com)

A rating is an opinion which addresses the creditworthiness of an entity or security or the assessment of an instrument. Ratings are not a recommendation or suggestion to buy, sell, or hold any security or instrument. Ratings do not address market price, marketability, and/or suitability of any security nor its tax implications or consequences. Ratings may be subject to upgrades or downgrades or withdrawal at any time for any reason at the sole discretion of Lianhe Global.

All ratings are the products of a collective effort by accredited analysts through rigorous rating processes. No individual is solely responsible for a rating. All ratings are derived by a rating committee vesting process. The individuals identified in the reports are solely for contact purpose only.

Lianhe Global conducts its rating services based on third-party information which we reasonably believe to be true. Lianhe Global relies on information generally including audited financial statements, interviews, management discussion and analysis, relevant third-party reports, and publicly available data sources to conduct our analysis and uses reasonable measures so that the information it uses in assigning a rating is of sufficient quality to support a credible rating. However, Lianhe Global has not conducted any audit, investigation, verification or due diligence. Lianhe Global does not guarantee the accuracy, correctness, timeliness, and/or completeness of the information. Ratings may contain forward-looking opinions of Lianhe Global which may include forecasts about future events which by definition are subject to change and cannot be considered as facts. Please see Lianhe Global's website for the last rating action and the rating history. Please see Lianhe Global's website for the methodologies used in determining ratings, further information on the meaning of each rating category, and the definition of default.

Under no circumstances shall Lianhe Global, its directors, shareholders, employees, officers and/or representatives or any member of the group of which Lianhe Global forms part be held liable to any party for any damage, loss, liability, cost, expense or fees in connection with any use of the information published by the Company.

Lianhe Global receives compensation from issuers, underwriters, obligors, investors or principals for conducting rating services for solicited ratings. An unsolicited rating is a rating that is initiated by the Company and not requested by the issuer, underwriters, obligors, investors or principals.

Ratings included in any rating reports are disclosed to the rated entity (and/or its agents) prior to publishing. Rating reports and research reports published by Lianhe Global are not intended for distribution to, or use by, any person in any jurisdiction where such use would infringe local laws and regulations. Any user relying on information available through rating reports and research reports is responsible for consulting the relevant agencies or professionals accordingly to comply with the applicable local laws and regulations.

All published rating reports and research reports are the intellectual property of Lianhe Global. Any reproduction, redistribution, or modification, in whole or part, in any form by any means is prohibited unless such user has obtained prior written consent from Lianhe Global.

Lianhe Global is a subsidiary of China Lianhe Credit Rating Co., Ltd. The rating committee of Lianhe Global has the ultimate power of interpretation of any methodology or process used in the Company's independent ratings and research.

Copyright © Lianhe Ratings Global Limited 2025.