

# Jiangshan Economic Development Zone Construction Investment Group Co., Ltd.

## Summary

Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	19 December 2025

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Jiangshan Economic Development Zone Construction Investment Group Co., Ltd. (“JEDZC” or “the company”); Issuer Rating Outlook Stable

## Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Jiangshan City, Quzhou City (“Jiangshan government”) would provide very strong support to JEDZC if needed, in light of its full ownership of JEDZC, JEDZC’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and land development in Jiangshan City, Quzhou City (“Jiangshan”), especially in the Jiangshan Economic Development Zone, Zhejiang Province (“Jiangshan EDZ”) and the linkage between the Jiangshan government and JEDZC, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Jiangshan government may face significant negative impact on its reputation and financing activities if JEDZC encounters any operational and financial difficulties.

Jiangshan is a county-level city of Quzhou City, Zhejiang Province. Its GDP grew steadily by 6.1% to RMB43.0 billion in 2024. The budgetary revenue also increased by 3.2% to RMB3.5 billion in 2024.

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

## Rating Rationale

**Government’s Ownership and Supervision:** The Jiangshan government holds the full ownership of JEDZC through the Finance Bureau of Jiangshan City’s (“Jiangshan FB”) fully-owned subsidiary, Jiangshan City State-owned Assets Management Co. Ltd. (“JCSAM”). The Jiangshan government is the actual controller of the company. It has the final decision-making authority and supervises the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Jiangshan government has assessment mechanism over the company and appoints auditors to supervise the operating performance and financial position on a periodic basis.

**Strategic Importance to Jiangshan and Strategic Alignment:** JEDZC remains as an important LIDC in Jiangshan that is primarily responsible for the investment, development and operation of infrastructure construction projects in the Jiangshan EDZ. Serving as the sole entity in charge of infrastructure projects in Jiangshan EDZ, JEDZC is mainly engaged in road and pipeline projects, supporting facilities development, land development and consolidation, sewage treatment, and other infrastructure related projects with strong regional advantages. In addition, the company assumes a vital position in the industrial development in the region by taking the responsibility of industrial park development and business attractions and investment. JEDZC plays an important role in promoting the

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## Applicable Criteria

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

economic and social development of Jiangshan. Its business operation and development have been aligned with the government's development plans.

**Ongoing Government Support:** J EDZC received operational and financial support from the Jiangshan government. It received a total subsidy amount of RMB365.1 million from 2022 to the first six months of 2025. The Jiangshan government continued to inject capital, real estate assets and other kinds of assets into JEDZC to expand its asset size and diversify its business. Besides, the government will repurchase some infrastructure projects and provide policy supports to JEDZC to ensure its business operation. Given that it is the key entity for infrastructure construction and land development in the Jiangshan EDZ, JEDZC has an advantage in acquiring related resources and major projects. We believe JEDZC is likely going to receive government support to support its daily business operation.

**JEDZC's Financial Matrix and Liquidity Position:** JEDZC's total assets increased to RMB26.9 billion at end-June 2025 from RMB22.0 billion at end-2023, as the company actively participated in the industrial park's investment and external financing activities. The company mainly relied on borrowings to fund its asset expansion. Its total adjusted debt increased to RMB16.6 billion at end-June 2025 from RMB12.3 billion at end-2023. The company's financial leverage, as measured by debt/capitalization, increased from 58.2% to 64.6% over the same period. In addition, JEDZC's overall asset liquidity was moderately weak due to large amount of inventories and investment properties.

The liquidity of JEDZC was moderately tight. At end-June 2025, JEDZC had a cash balance of RMB932.2 million, compared with its debt due within one year of RMB2.7 billion. Having said that, JEDZC has access to various financing channels, including bank loans, bond issuance and non-traditional financing, to support its debt repayment and business operations. At end-2024, the company had unused credit facilities of RMB6.0 billion.

## Rating Sensitivities

We would consider downgrading JEDZC'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 JEDZC, or (3) there is a downgrade in our internal credit assessment on the Jiangshan government.

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

## Operating Environment

### Economic Condition of Jiangshan

Jiangshan is a county-level city of Quzhou, and is located in the southern part of Quzhou. Jiangshan is enriched with ample tourism and ecological resources, and has been ranked as one of the National Top 100 Tourist Counties in 2024. Jiangshan has jurisdiction over 11 towns, 3 streets, 290 administrative villages and 29 communities with a total land area of 2,019 square kilometers.

Jiangshan's GDP grew to RMB43.0 billion in 2024 from RMB40.6 billion in 2023, with the growth rate dropping to 6.1% from 6.8% over the same period. Its GDP per capita increased to RMB87,229 in 2024, compared with RMB81,600 in 2023. The economic structure of Jiangshan was mainly driven by the secondary and tertiary industries, which the contribution from the tertiary industry to the GDP increased to 53.4% in 2024 from 50.6% in 2023.

### Jiangshan's GDP and Fixed Asset Investment

(RMB billion)	2022	2023	2024
GDP	38.1	40.6	43.0
-Primary industry (%)	6.6	6.2	6.0
-Secondary industry (%)	43.4	43.2	40.6
-Tertiary industry (%)	50.0	50.6	53.4
GDP growth rate (%)	4.6	6.8	6.1
Fixed asset investment growth rate (%)	20.0	21.5	15.0
Population (million)	0.5	0.5	0.6

Source: Financial Bureau of Jiangshan, statistical bureau of Jiangshan and Lianhe Global's calculations

### Fiscal Condition of Jiangshan

The budgetary revenue of Jiangshan government recorded at RMB3.5 billion in 2024, representing a year-on-year increase rate of 3.2%. The contribution of tax revenue to the budgetary revenue reduced to 55.4% from 60.7% over the same period. The government fund income declined to RMB2.3 billion in 2024 from RMB3.0 billion in 2023. Together with the increase in budget expenditure, the fiscal deficit of Jiangshan government widened to 161.4% in 2024 from 145.7% in 2023.

Jiangshan government's debt continued to grow in 2024, which was mainly due to the increasing special purpose debts. The Jiangshan government's outstanding debt reached RMB18.7 billion in 2024, including RMB6.8 billion of general obligations and RMB11.0 billion of special purpose debts. Its fiscal debt ratio, as measured by the total government debt to aggregate revenue ratio, surged to 162.9% at end-2024 from 145.5% at end-2023.

### Jiangshan's Fiscal Condition

(RMB billion)	2022	2023	2024
Budgetary revenue	2.9	3.7	3.5
Budgetary revenue growth rate (%)	13.0	27.0	3.2
Tax revenue	2.4	2.2	2.0
Tax revenue (% of budgetary revenue)	82.7	60.7	55.4
Government fund income	4.0	3.0	2.3
Transfer payment	3.7	4.1	5.1
<b>Aggregate revenue</b>	<b>10.6</b>	<b>10.8</b>	<b>10.9</b>
Budgetary expenditure	8.8	9.0	9.2
Budget balance <sup>1</sup> (%)	-203.8	-145.7	-161.4
Government debt ratio (%)	120.1	145.5	162.9

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

Source: Financial Bureau of Jiangshan, statistical bureau of Jiangshan and Lianhe Global's calculations

### Company Profile

JEDZC was established in June 2018 with an initial registered capital of RMB300.0 million, funded by the Jiangshan State-owned Assets Supervision and Administration Office ("Jiangshan SASAO"). In December 2018, Jiangshan SASAO transferred 100% of the company's equity to JCSAM without compensation. At end-June 2025, the registered capital and paid-in capital of the company were both RMB300.0 million. JCSAM held 100% shares of the company and the Jiangshan FB was the ultimate controller.

JEDZC is an important LIDC that plays a vital role in the city renovation and development and municipal infrastructure construction within Jiangshan EDZ. The primary sources of the company's operating income are projects construction, land development, while it also engages in housing leasing and management, properties sales, building materials sales, oil



sales, sewage treatment and other businesses The total operating revenue of JEDZC was RMB903.6 million, RMB1.8 billion, RMB1.8 billion and RMB580.3 million in 2022, 2023, 2024 and 1H2025, respectively. The gross profit margin ranged between 6.1% and 10.9% over the same period.

Key Financial Data				
(RMB million)	2022	2023	2024	2025.6
Total Assets	13,114	22,016	24,808	26,939
Equity	6,670	8,809	9,102	9,110
Debt	5,333	12,258	14,757	16,641
Debt / (Debt + Equity) (%)	44.4	58.2	61.9	64.6
Unrestricted cash/ST Debts (x)	1.1	0.2	0.3	0.3
Debt/EBITDA (x)	32.0	58.4	73.6	-
Revenue	904	1,843	1,849	580
Operation Profit	135	134	138	16
Gross Margin (%)	10.9	6.1	7.4	9.5
Cash from sales or services/ Revenue (%)	51.3	93.1	92.6	62.1

Source: JEDZC and Lianhe Global's calculations

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