

Changshan County City Investment Group Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB’ global scale Long-term Issuer of Changshan County City Investment Group Co., Ltd. (“CCCI” or “the company”); Issuer Rating Outlook Stable

Summary

Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	16 January 2026

Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Changshan County (“Changshan government”) would provide very strong support to CCCI if needed, in light of its full ownership of CCCI, CCCI’s strategic position as the sole entity that is responsible for infrastructure construction, land development and resettlement housing construction in Changshan, and the strong linkage between the Changshan government and CCCI, including control and supervision over CCCI’s management, strategic alignment and ongoing operational and financial support. In addition, we believe that the Changshan government has a very strong willingness to ensure CCCI’s business and financial viability in order to safeguard its reputation and local financing activities.

Changshan is a county under Zhejiang Province and under the jurisdiction of Quzhou City. Its GDP grew by 5.0% and reached RMB22.3 billion in 2024. Changshan realized budgetary revenue of RMB2.0 billion in 2024, representing a year-over-year growth rate of 2.6%.

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

Rating Rationale

Government’s Ownership and Supervision: The Changshan government holds the full ownership of CCCI through The Finance Bureau of Changshan County’s (“Changshan FB”) wholly-owned subsidiary, Changshan County State-owned Assets Investment and Operation Co., Ltd. The Changshan government, as the ultimate controller, has strong control and supervision over CCCI, including the appointment of senior management, decision on its strategic development and investment plan, and the supervision of its major funding decisions. In addition, the Changshan government has assessment mechanism over the company and appoints auditors to supervise the operating performance and financial position on a periodic basis.

Strategic Importance and Strategic Alignment: Strategically positioned at an “eight-province thoroughfare” transportation hub, Changshan aims to develop a “hometown of logistics,” and CCCI plays a central role in supporting this direction. As an important local infrastructure development company (LIDC) in the region, CCCI is the sole entity responsible for infrastructure construction across Changshan and surrounding areas, covering municipal projects, public service projects, as well as transportation and water conservancy works. The company also undertakes talent attraction, innovation initiatives, and talent community development in Changshan, including the construction of resettlement housing, apartments, and related supporting facilities. Overall, CCCI’s operations and growth are closely aligned with the government’s development plans.

Ongoing Government Support: CCCI received substantial government support between 2022 and the first half of 2025. The company received asset and capital injection of RMB1,648.5 million, and subsidies of RMB21.6 million in 2024. The company continued to receive capital injections totaling RMB643.3 million in the first six months of 2025. We

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Applicable Criteria

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

believe CCCI is likely going to receive government support in the form of operational and/or financial subsidies, to support its daily business operation and related infrastructure investment and construction.

CCCI's Financial Matrix and Liquidity Position: CCCI's total assets increased to RMB26.9 billion at end-June 2025 from RMB19.8 billion at end-2022, primarily driven by the substantial increase in construction in progress and long-term equity investments, despite a decrease in inventories. CCCI's total debts increased to RMB10.1 billion at end-June 2025 from RMB5.9 billion at end-2022, with long-term debt accounting for 77.6% of the total debt. Its financial leverage, as measured by debt to capitalization ratio, rose to 52.3% at end-June 2025, compared with 45.5% at end-2022.

At end-June 2025, CCCI had a total cash balance of RMB0.84 billion and an unused credit line of RMB0.87 billion, compared with its debt due within one year of RMB2.3 billion. In addition, CCCI has access to multiple financing channels, including bank borrowings, corporate bonds, and other financing options such as finance leases.

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Changshan

Changshan, as one of the counties under the jurisdiction of Quzhou, is located in the southwest of Zhejiang Province. Changshan's GDP reached RMB22.3 billion in 2024, representing a year-on-year growth rate of 5.0%, a slowdown from 7.1% in 2023. Its fixed asset investment growth slowed to 3.0% in 2024 from 10.7% in 2023. The economic structure continued to shift towards the service sector, with the tertiary industry accounting for 55.2% of GDP in 2024, up from 51.6% in 2023, while the secondary industry declined to 40.3% from 44.0% over the same period.

Changshan's Economic Condition			
(RMB billion)	2022	2023	2024
GDP	20.06	21.39	22.33
-Primary industry (%)	4.60	4.40	4.50
-Secondary industry (%)	45.20	44.00	40.30
-Tertiary industry (%)	50.30	51.60	55.20
GDP growth rate (%)	4.10	7.10	5.00
Fixed asset investment growth rate (%)	11.20	10.70	3.00
Population (million)	0.26	0.27	0.26

Source: Statistical bureau of Changshan and Lianhe Global's calculations

Fiscal Condition of Changshan

The budgetary revenue of the Changshan government grew by 2.6% in 2024, reaching RMB2.0 billion, a slowdown from 20.0% growth in 2023. Tax revenue remained roughly flat at RMB1.35 billion, with the tax revenue ratio declining to 65.9% of budgetary revenue from



67.6% in 2023. Government fund income, mainly generated from land sales, continued to decline to RMB2.6 billion in 2024 from RMB3.2 billion in 2023. Transfer payments from higher-level governments increased to RMB4.0 billion in 2024 from RMB3.7 billion in 2023.

The government debt ratio, as measured by the total government debt to aggregate revenue ratio, increased to 168.1% at end-2024 from 154.1% at end-2023.

Changshan's Fiscal Condition			
(RMB billion)	2022	2023	2024
Budgetary revenue	1.66	1.99	2.04
Budgetary revenue growth rate (%)	10.70	20.00	2.60
Tax revenue	1.39	1.35	1.35
Tax revenue (% of budgetary revenue)	83.38	67.64	65.90
Government fund income	3.75	3.16	2.64
Transfer payment	2.85	3.66	4.04
Aggregate revenue	8.29	8.81	8.72
Budgetary expenditure	6.79	6.85	7.82
Budget balance ¹ (%)	-309.03	-243.55	-282.63
¹ Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%			
Source: Financial Bureau of Changshan and Lianhe Global's calculations			

Company Profile

CCCI was established in 2001. After several rounds of capital injections, CCCI's paid-in capital enlarged to RMB3.0 billion at end-June 2024.

CCCI is the sole entity responsible for infrastructures construction in the region, covering municipal projects, public service projects, as well as transportation and water conservancy related projects in Changshan. The company also engages in talent acquisition, innovation, and talent community construction in Changshan.

Key Financial Data				
(RMB million)	2022	2023	2024	2025.6
Total Assets	19,839	20,157	24,762	26,946
Equity	7,064	7,301	8,438	9,150
Debt	5,908	6,730	9,148	10,052
Debt / (Debt + Equity) (%)	45.5	48.0	52.0	52.3
Unrestricted cash/ST Debts (x)	0.8	0.7	0.6	0.4
Debt/EBITDA (x)	26.2	34.6	38.4	-
Revenue	1,427	1,940	1,706	1,369
Operation Profit	124	67	47	17
Gross Margin (%)	12.8	7.7	8.4	6.7
Cash from sales or services/ Revenue (%)	99.7	84.8	114.0	64.1
Source: CCCI and Lianhe Global's calculations				

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