

Anqing Xinshidai Asset Operation Co., Ltd.

Summary	
Issuer Rating	BBB-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	5 February 2026

Lianhe Ratings Global Limited (“Lianhe Global”) has assigned ‘BBB-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Anqing Xinshidai Asset Operation Co., Ltd. (“AXAO” or “the company”)

Summary

The Issuer Credit Rating reflects a high possibility that Yixiu District People’s Government of Anqing City (“the Yixiu government”) would provide strong support to AXAO if needed, in light of its indirect full ownership of AXAO as well as AXAO’s strategic importance as an important local investment and development company (“LIDC”) in Yixiu District. The linkage between the Yixiu government and AXAO is strong, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Yixiu government may face significant negative impact on its reputation and financing activities if AXAO encounters any operational or financial difficulties.

Yixiu District is a district under the jurisdiction of Anqing City, Anhui Province. Its GDP reached RMB18.1 billion in 2024 and the economic growth was mainly fueled by secondary and tertiary industries. The Yixiu government’s budgetary revenue increased strongly by 14.3% to RMB1.4 billion in 2024.

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

Rating Rationale

Government’s Ownership and Supervision: The Finance Bureau of Yixiu District, Anqing City (“Yixiu FB”) indirectly holds the full ownership of AXAO through its wholly-owned Anqing Yixiu District Beautiful Village Construction Co., Ltd. (“AYVC”; ‘BBB-/Stable’). The local government has the final decision-making authority and supervision over the company, including approval and supervision of the senior management, strategy alignment and major investment and financing plan decisions. In addition, the 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: AXAO is one of the core asset management and industrial cultivation entities in Yixiu District. The company is primarily responsible for the integration, operation, and preservation and appreciation of state-owned assets. It revitalizes existing assets and optimizes resource allocation through market-oriented means. Simultaneously, it participates in industrial park development, industrial investment, and business incubation, contributing to the industrial upgrading and economic development of Yixiu District and Anqing City. Its business operation and strategic planning have been aligned with the government’s development plans.

Ongoing Government Support: The local government provides support to AXAO, including financial support and asset injections, such as the transfer of state-owned enterprise equity and fixed assets. The company received RMB215.2 million of asset injections and RMB4.4 million of subsidies between 2023 and 2024. We expect AXAO to

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Applicable Criteria

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

receive ongoing support from the local government considering its strategic importance in the region.

AXAO's Financial Matrix and Liquidity Position: AXAO's total assets increased steadily to RMB7.6 billion at end-June 2025 from RMB6.7 billion at end-2023. The company's total debt expanded to RMB1.3 billion from RMB0.9 billion over the same period. As a result, the company's financial leverage, as measured by the debt to capitalization ratio, increased to 18.7% from 14.9% over the same period.

The short-term debt servicing pressure of AXAO was manageable. At end-June 2025, the company had a cash balance of RMB346.5 million (including restricted cash of RMB15.0 million), while its debt due within one year was RMB471.6 million. AXAO mainly relies on external financing and it has access to some financing channels, including bank loans and non-traditional financing, to support its debt repayments and business operations. At end-2024, the company had unused credit lines of RMB1,525 million.

Rating Sensitivities

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

We would consider upgrading AXAO's rating if (1) there is strengthened support from the Yixiu government, or (2) there is an upgrade in our internal credit assessment on the Yixiu government.

Operating Environment

Economic Condition of Yixiu District

Yixiu District is located in the northeastern part of Anqing City's urban area. Yixiu District maintained steady economic growth in the past few years, with the growth rates recording at 4.0%, 6.3% and 5.4% in 2022, 2023 and 2024, respectively. Yixiu District's GDP reached RMB18.1 billion in 2024 and the economic growth was mainly fueled by secondary and tertiary industries, which accounted for 31.2% and 63.0% of total GDP in 2024, respectively.

Yixiu County's Economic Condition		2022	2023	2024
(RMB billion)				
GDP		15.5	16.3	18.1
-Primary industry (%)		6.2	5.8	5.8
-Secondary industry (%)		31.7	31.2	31.2
-Tertiary industry (%)		62.1	63.0	63.0
GDP growth rate (%)		4.0	6.3	5.4
Fixed asset investment growth rate (%)		9.2	1.0	-17.5
Population (million)		0.2	0.2	0.2

Source: Statistical Bureau of Yixiu County and Lianhe Global's calculations

Fiscal Condition of Yixiu District

Yixiu District's aggregate fiscal revenue is mainly derived from budgetary revenue, which increased steadily to RMB1.4 billion in 2024 from RMB1.1 billion in 2022. The fiscal self-sufficiency of the Yixiu government was moderately weak with a budget deficit of 16.6% in 2024.

The outstanding debt of the Yixiu government continued to grow. At end-2024, the Yixiu government's outstanding debt was RMB1.4 billion, up from RMB1.2 billion at end-2022. The fiscal debt ratio, as measured by total government debt outstanding/aggregate revenue, decreased to 59.1% at end-2024 from 63.0% at end-2022.

Yixiu District's Fiscal Condition

(RMB billion)	2022	2023	2024
Budgetary revenue	1.1	1.2	1.4
Budgetary revenue growth rate (%)	11.6	14.7	14.3
Tax revenue	1.0	1.1	1.3
Tax revenue (% of budgetary revenue)	89.4	90.2	93.5
Government fund income	0.0	0.0	0.0
Transfer payment	0.8	0.8	1.0
Aggregate revenue	1.9	2.1	2.4
Budgetary expenditure	1.3	1.5	1.6
Budget balance ¹ (%)	-17.4	-24.6	-16.6

¹ Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%

Source: Financial Bureau of Yixiu County and Lianhe Global's calculations

Company Profile

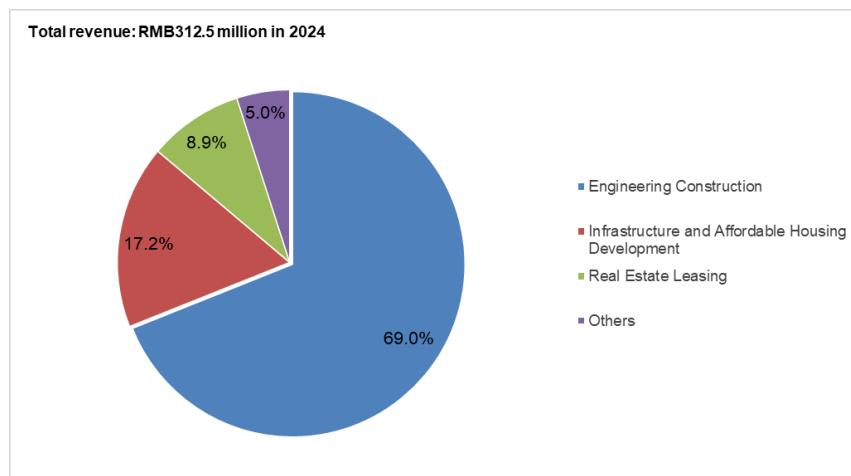
Ownership Structure

AXAO was established in February 2021 by Anqing Xinqiao Financing Guarantee Co., Ltd. and Anhui Longyi Rural Revitalization Development Co., Ltd., holding 70.00% and 30.00% of the company's shares respectively. After several capital increases and ownership changes, AYVC become the sole shareholder, and the actual controller is the Yixiu FB. The company's registered capital was RMB200 million, and its paid-in capital was RMB3 million as of end-June 2025.

Revenue Breakdown

AXAO is primarily responsible for engineering construction, infrastructure and affordable housing construction, and property leasing within Yixiu District, while also engaging in other businesses such as water supply and property management.

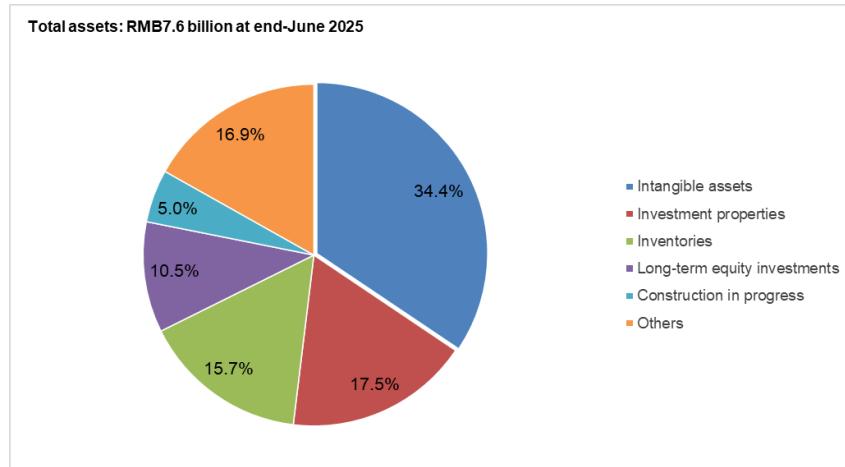
The company's revenue increased significantly in 2024 to RMB313 million, from RMB168 million in 2023, mainly driven by the higher revenue of engineering construction business, resulting in lower gross margin of 28.7% in 2024, compared with 51.4% in 2023.



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

Assets Breakdown

AXAO's asset-side liquidity was weak, dominated by non-current assets, while inventories accounting for the majority of current assets. The company's non-current assets mainly consisted of long-term equity investments, investment properties, construction in progress, and intangible assets. Intangible assets accounted for the largest 34.4% of total assets at end-June 2025, followed by the 17.5% of investment properties.



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

Key Financial Data

(RMB million)	2023	2024	2025.6
Total Assets	6,662	7,234	7,593
Equity	5,431	5,595	5,585
Debt	947	1,322	1,289
Debt / (Debt + Equity) (%)	14.9	19.1	18.7
Unrestricted cash/ST Debts (x)	0.5	0.5	0.7
Debt/EBITDA (x)	12.0	17.8	-
Revenue	168	313	54
Operation Profit	48	40	-8
Gross Margin (%)	51.4	28.7	42.1
Cash from sales or services/Revenue (%)	83.1	71.7	121.1

Source: AXAO and Lianhe Global's calculations

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