

## Ganzhou Urban Investment Holding Group Co., Ltd.

### Summary

Issuer Rating	A-
Outlook	Positive
Location	China
Industry	Local Investment and Development Companies
Date	26 February 2026

Lianhe Ratings Global Limited (“Lianhe Global”) has assigned ‘A-’ global scale Long-term Issuer Credit Rating to Ganzhou Urban Investment Holding Group Co., Ltd. (“GUIH” or “the company”); Outlook Positive

### Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Ganzhou City (“the Ganzhou government”) would provide strong support to GUIH if needed. This mainly considers the Ganzhou government’s indirect vast majority ownership of GUIH and GUIH’s strategic importance as an important urban development and operation entity in Ganzhou. The linkage between the local government and GUIH is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe the Ganzhou government has a strong willingness to prevent GUIH from encountering any operational or financial difficulties in order to safeguard its reputation and financing activities.

The Positive Outlook reflects our expectation that GUIH’s strategic importance would be strengthened given its expanding role in Ganzhou’s infrastructure construction and investment, especially in water conservancy projects. The Ganzhou government recently entrusted GUIH with establishing a water investment company to facilitate local water conservancy projects’ development and create a comprehensive water resources integration platform.

Ganzhou is a prefecture-level city and a provincial sub-center city in Jiangxi Province with abundant mineral resources including rare earths, tungsten, and kaolin. The GDP of Ganzhou grew by 5.4% to RMB494.0 billion in 2024, while the budgetary revenue of the Ganzhou government increased by 2.5% to RMB32.8 billion.

### Rating Rationale

**Government’s Ownership and Supervision:** GUIH is wholly owned by Ganzhou Development Investment Holding Group Co., Ltd. (“GDIH”), the flagship local investment and development company (“LIDC”) in Ganzhou. The Ganzhou State-owned Assets Supervision and Administration Commission (“the Ganzhou SASAC”) holds 90% shares of GDIH, and is GUIH’s ultimate controller. The Ganzhou government has strong control and supervision over the GUIH, including senior management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Ganzhou government has assessment mechanism over the company and it appoints auditors to supervise the operating performance and financial position on a periodic basis.

**Strategic Alignment and Importance:** GUIH is an important urban development and operation entity in Jiangxi’s Ganzhou. The company undertakes major infrastructure public facilities, social housing and urban renewal projects in Ganzhou. The Ganzhou government also entrusted GUIH to establish a water investment company to facilitate local water conservancy projects’ development and create a comprehensive water resources integration platform. Its business operations and development are closely aligned with the local government’s policies. We expect GUIH strategic importance in Ganzhou to be strengthened given its expanding role in Ganzhou’s infrastructure construction and investment.

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### Applicable Criteria

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

**Strong Government Support:** GUIH received ongoing operational and financial support from the local government. The Ganzhou government provided operational subsidies totaling RMB2 billion between 2022 and the first half of 2025 to support the company's activities in relation to providing public goods. In addition, the Ganzhou government injected cash capital, project funds and other stated-owned assets into GUIH over the same period. Its equity base was enhanced to RMB62.6 billion at end-June 2025 from RMB58.3 billion at end-2022. Given that GUIH's strategic importance, we believe it is likely to receive timely government support.

**GUIH's Financial and Liquidity Position:** GUIH's asset size increased steadily to RMB164.8 billion at end-June 2025 from RMB150.3 billion at end-2022, as it actively participated in Ganzhou's project development and received the Ganzhou government's ongoing asset injections. Its total debt stayed between RMB71 billion and RMB72 billion over the same period. Therefore, its financial leverage, as measured by debt to capitalization was managed at below 55% level.

GUIH's short-term debt servicing pressure is high. At end-June 2025, the company held unrestricted cash of RMB2.7 billion, compared to RMB20.8 billion of short-term debt. Nevertheless, GUIH maintains access to diverse funding sources, including bank loans, bond issuances, and other non-traditional channels to support ongoing operations. As of end-September 2025, the company had total bank facilities of RMB72.6 billion, of which RMB49.4 billion was unused.

## Rating Sensitivities

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

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

## Operating Environment

### Economic Condition of Ganzhou

<b>Ganzhou's Economy Condition</b>			
<b>(RMB billion)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
GDP	441.4	460.6	494.0
-Primary industry (%)	10.3	9.9	9.9
-Secondary industry (%)	38.7	39.2	36.6
-Tertiary industry (%)	51.0	50.9	53.5
GDP growth rate (%)	4.8	5.3	5.4
Fixed asset investment growth rate (%)	9.7	-1.7	5.8
Population (million)	8.99	8.99	8.96

*Source: Statistical Bureau of Ganzhou and Lianhe Global's calculations*

Ganzhou is a prefecture-level city and a provincial sub-center city in Jiangxi Province with abundant mineral resources including rare earths, tungsten, and kaolin. The city focuses on developing electronic information, machinery manufacturing, light industry and textile, and new energy industries. Ganzhou's

GDP grew steadily by 5.4% to RMB494.0 billion in 2024. Its fixed asset investment growth rate rebounded to 5.8% in 2024 from -1.7% in 2023.

### Fiscal Condition of Ganzhou

<b>Ganzhou's Fiscal Condition (RMB billion)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Budgetary revenue	30.6	32.0	32.8
Budgetary revenue growth rate (%)	11.2	4.4	2.5
Tax revenue	17.5	20.0	19.4
Tax revenue (% of budgetary revenue)	57.3	62.6	59.3
Government fund income	29.4	32.7	29.4
Transfer payment	67.4	67.4	79.0
<b>Aggregate revenue</b>	<b>128.4</b>	<b>135.4</b>	<b>145.6</b>
Budgetary expenditure	98.8	110.1	116.9
Budget balance <sup>1</sup> (%)	-223.0	-244.4	-256.7
Government debt ratio (%)	123.9	140.5	159.4

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

Source: Finance Bureau of Ganzhou and Lianhe Global's calculations

The budgetary revenue of the Ganzhou government increased by 2.5% to RMB32.8 billion in 2024. However, its budgetary deficit remained high at 256.7%. The government fund income, mainly generated by land sales, dropped slightly to RMB29.4 billion in 2024 from 2023, owing to protracted property market downturn. Yet the Ganzhou government received substantial transfer payment from higher government, pushing its aggregate revenue to RMB145.6 billion from RMB135.4 billion over the same period.

The outstanding debt of the Ganzhou government increased significantly to RMB232.2 billion at end-2024 from RMB159.1 billion at end-2022, mainly due to the new issuance of special-purpose debts to support local public projects. As a result, its government debt ratio, as measured by total government debt/aggregate revenue, surged to 159.4% from 123.9%.

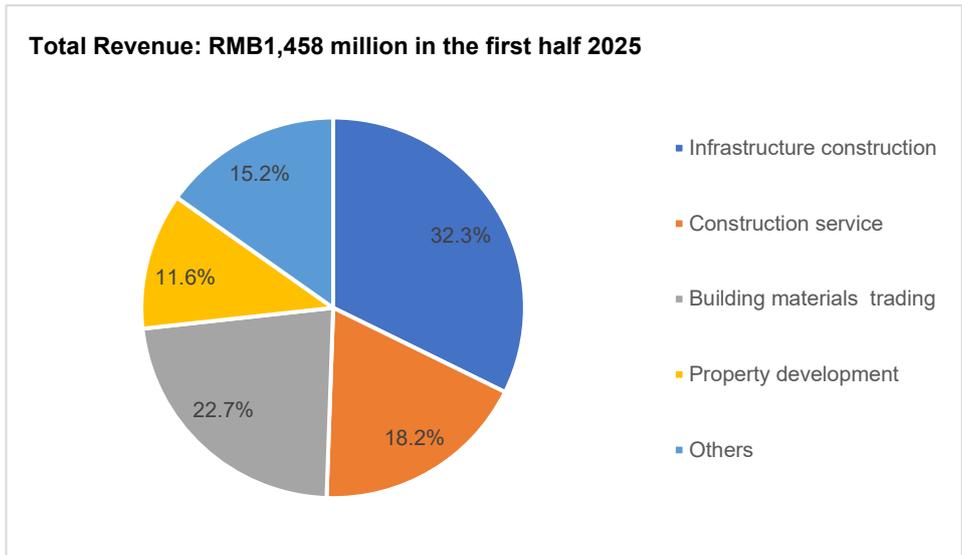
## Company Profile

### Ownership Structure

GUIH was established in 2009 with an initial registered capital of RMB10 million. After an array of capital injections and equity transfers, GUIH's paid in capital was enlarged to RMB30 billion by end-June 2025. The Ganzhou SASAC, as the company's actual controller, held 90% shares of GUIH through GDIH, the largest LIDC in Ganzhou in terms of asset size.

### Revenue Breakdown

GUIH is an important urban development and operation entity in Jiangxi's Ganzhou. The company undertakes major infrastructure public facilities, social housing and urban renewal projects in Ganzhou. It also participates in the trading of building materials and other businesses such as property leasing and management. GUIH realized total revenue of RMB4,472 million, 4,505 million and RMB4,746 million in 2022, 2023, 2024, respectively, representing an upward trend. Yet the overall gross profit margin dropped to 14.2% in 2024 from 18.1% in 2022. In the first half of 2025, GUIH recorded revenue of RMB1,458 million with a gross margin of 12.8%.

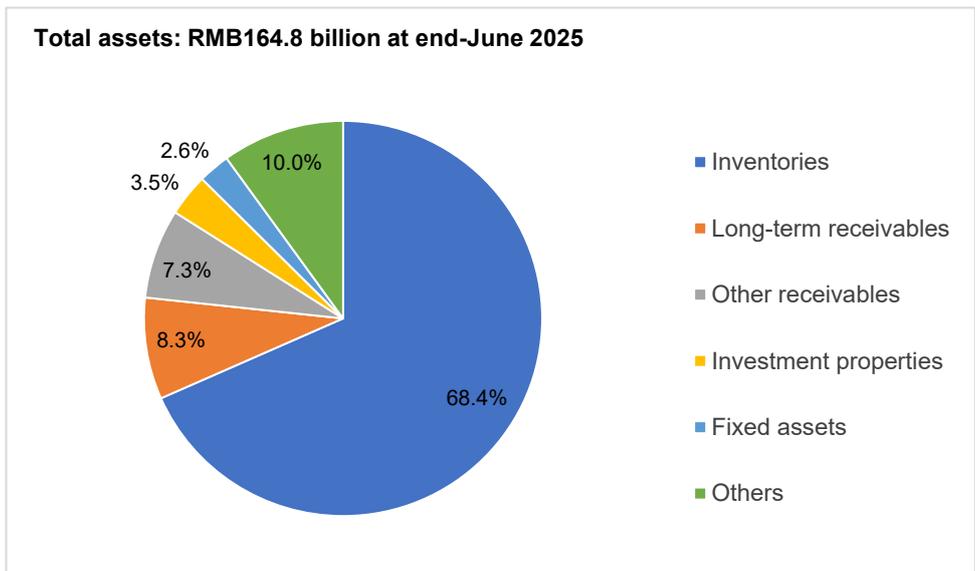


Source: The company and Lianhe Global's calculations

GUIH typically undertakes development projects assigned by local government agencies under agent construction or government purchase of services models. As of end-March 2025, the company maintained a robust project pipeline, including projects under construction with a total investment of RMB10.1 billion (RMB4.2 billion scheduled for investment), plus proposed projects with a planned investment of RMB1.6 billion. While these initiatives should drive GUIH's business growth in coming years, their scale and extended cash collection periods will likely impose significant capital expenditure pressure.

In addition to public projects, GUIH also develops and sells residential housings in Ganzhou and engages in the trading of building materials such as concrete, river sands, steel bars, etc. Its trading activities contributed a significant part of the company's other businesses, yet the gross margin was very low.

### Assets Breakdown



Source: The company and Lianhe Global's calculations

GUIH's asset liquidity is moderate. As of end-June 2025, the company held inventories, mainly land and construction costs, of RMB112.7 billion, which typically require an extended period to monetize due to prolonged project development and cash collection cycles. In addition, long-term receivables and other receivables amounted to RMB12.1 billion and RMB13.7 billion, respectively, primarily from local government agencies and other local SOEs, typically lacking specified repayment schedules.

<b>Key Financial Data (RMB million)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025.6</b>
Total Assets	150,346	158,411	161,923	164,757
Equity	58,310	61,223	62,006	62,552
Debt	71,417	71,263	74,345	72,661
Debt / (Debt + Equity) (%)	55.1	53.8	54.5	53.7
Unrestricted cash/ST Debts (x)	0.3	0.3	0.2	0.1
Debt/EBITDA (x)	55.7	54.2	62.4	-
Revenue	4,472	4,502	4,746	1,458
Operation Profit	993	1,057	937	246
Gross Margin (%)	18.1	14.2	14.2	12.8
Cash from sales or services/ revenue (%)	61.8	85.0	115.4	153.1

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

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