

XMXYG Corporation

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed the ‘A-’ global scale Long-term Issuer Credit Rating of XMXYG Corporation (“XMXYG”); Issuer Rating Outlook Positive

Summary

Issuer Rating	A-
Outlook	Positive
Location	China
Industry	Commodity
Date	3 July 2026

Summary

The Issuer Credit Rating reflects XMXYG's leading market position in comprehensive supply chain management industry and strategic position in Xiamen City, Fujian Province (“Xiamen”), supported by its established nationwide logistics network and the strengthening of its comprehensive service capability. Moreover, XMXYG has proven track record of strong external support from the People’s Government of Xiamen (“Xiamen government”). However, the rating is constrained by XMXYG's high financial leverage and low profit margin.

The Positive Outlook reflects our expectation that XMXYG will continue to consolidate and strengthen its market leadership in the supply chain management field, and expand its nationwide and overseas logistics networks. The company’s increasing strategic position in port infrastructure development and its continuous business growth lay a solid foundation for its sustainable development. Meanwhile, the company is expected to enhance its profitability through cost optimization measures while remaining prudent in its expansion pace.

Rating Rationale

A Large-Scale State-Owned Enterprise in Xiamen with a Leading Position in Comprehensive Supply Chain Management Industry: As a large state-owned enterprise wholly owned by the State-owned Assets Supervision and Administration Commission of the Xiamen government (“Xiamen SASAC”) in Xiamen, XMXYG's registered and paid-in capital was RMB1.776 billion at end-March 2026. As the leading enterprise in the Xiamen portion of the Fujian Pilot Free Trade Zone, XMXYG is responsible for the development and operation of the Xiangyu Bonded Zone, including the modern logistics park and the commodity trading market. According to the 2025 Fortune Global 500 list, XMXYG ranked 241st with a total revenue of USD68.2 billion.

Strengthened Strategic Importance: Supported by its integrated supply chain service platform, XMXYG offers a full-range supply chain services and solutions, including procurement and distribution, door-to-door logistics, inventory management, supply chain finance, warehousing and information consulting, which is strategically important to both national strategic planning and regional economy. Also, XMXYG has an intelligent logistic service system consisting of road, railway, water and warehouse to connect the domestic and overseas markets, including a national railway transportation network, a national road transportation network, a waterway transportation network and warehousing clusters for bulk commodities. These well-established infrastructure networks enable the company to provide a full-range logistics service and enjoy competitive advantages over its peers.

Leveraging its established role as Xiamen’s leading logistics infrastructure developer and the development and operation platform of Xiamen Xiangyu Free Trade Zone, Xiamen Modern Logistics Park and Xiamen Dadeng-to-Taiwan Small Commodity Trading Market, the Xiamen government consolidated grain reserve assets into XMXYG in 2025, expanding its mandate in regional food security.

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Applicable Criteria

[General Corporate Rating Criteria \(31 December 2025\)](#)

As the designated comprehensive development platform for the Xiamen Free Trade Zone, XMXYG combines unique policy advantages with demonstrated execution capabilities across project development, investment attraction and industrial ecosystem building.

Ongoing Government Support: XMXYG has proven track records of receiving supports from the local government, such as capital and equity injections, subsidies, project funds, policy support and guidance from the government. It received government subsidies with a total amount of RMB2.8 billion between 2023 to 2025. We expect XMXYG to continue to receive government support and guidance given its strategic importance in Xiamen.

Profitability and Revenue Recovery: In 2025, XMXYG's revenue rebounded by 11.4% year-on-year to reach RMB463.9 billion. At the same time, its reported gross margin continued to improve to 4.18%, compared with 3.35% in 2024. The revenue and profit margin recovery was mainly due to the growth and improvement of its supply chain management segment. Having said that, the cyclical and low-margin industry nature of the commodity market may post volatility to XMXYG's financial performance.

Increasing Leverage with High Proportion of Minority Interests: XMXYG's total debt continued to increase in the past few years, due to the high capital expenditure arising from the expansion of its comprehensive supply chain management business and the construction of its property development projects. Relying on short-term borrowings to finance its operations, XMXYG's short-term debt accounted for 54.3% of XMXYG's total adjusted debt at end-2025. XMXYG's adjusted total debt (including financial leasing and perpetual bonds) increased to RMB177.0 billion at end-2025 from RMB122.5 billion at end-2023. XMXYG's financial leverage, as measured by adjusted debt over EBITDA, improved to 11.7x at end-2025 from 13.7x at end-2024, bringing it back to a level comparable to end-2023 (11.8x). However, XMXYG's adjusted total debt over capitalization ratio increased from 60.6% at end-2023 to 65.3% at end-2024, and further rose to 67.4% at end-2025.

The proportion of minority interest to XMXYG's total equity remained high at 64.9% at end-March 2026. It was mainly due to the minority interest held in its listed subsidiary along with the minority stakes held in XMXYG's property development projects.

Moderate Liquidity with Access to a Wide Range of Financing Channels: XMXYG has access to many financing channels, including bank loans, bond issuances, asset securitization, and equity placement through its listed subsidiary. XMXYG's liquidity is moderate. At end-March 2026, XMXYG had a total cash balance of RMB45.0 billion (including RMB3.4 billion of unrestricted cash) and an unutilized credit line of RMB176.3 billion, as compared with its reported short-term debt of RMB107.6 billion.

Rating Sensitivities

We would consider downgrading XMXYG's rating if (1) it were to increase its financial leverage as measured by its EBITDA interest coverage to consistently below 2.0x and debt over EBITDA leverage consistently to above 9.5x, or (2) it were to suffer a significant deterioration in operating performance in terms of revenue, profit margin or cash flow generation, or its liquidity profile is worsened, or (3) there is a decrease in support from or function for the local government.

We would consider upgrading XMXYG's rating if (1) it were to significantly improve its operating performance, and/or (2) it demonstrates prudent financial management and maintains its financial leverage as measured by its EBITDA interest coverage at consistently above 5.0x and debt over EBITDA leverage consistently at below 6.5x, and/or (3) it were to improve its liquidity position, and/or (4) there is a material increase in support from or function for the local government.

Company Profile

XMXYG is a state-owned enterprise based in Xiamen which mainly focuses on supply chain management services and commodity trade business in China. Under the approval of the Xiamen government, XMXYG was established as a state-owned enterprise that was mainly responsible for the development and state-owned assets operation of the Fujian Free Trade Zone and the Xiangyu Bonded Zone in November 1995. Xiamen SASAC directly held 100% stakes of XMXYG at end-March 2026 and the Xiamen government is XMXYG's ultimate controller.

Key Financial Metrics

2023A-2025A	Debt/EBITDA	EBITDA/Interest	Debt/Capitalization	Quick Ratio
Weighted Average	12.1x	2.9x	66.3%	0.4x

Source: XMXYG's annual reports and Lianhe Global's adjustments

Appendix I: XMYG's Rating Factors

Rating Factors	Weight	Initial Rating
I. Market Demand Analysis	15.0%	bbb-
II. Business Analysis¹	45.0%	bbb-
III. Financial Analysis²	40.0%	b-
IV. Base Score	100.0%	bb
V. Industry Risk		bb
VI. Qualifiers		
Liquidity		Neutral
Corporate Governance		Neutral
Debt Structure and Financial Policy		Neutral
Idiosyncratic Analysis		Neutral
Stand-Alone Creditworthiness		bb
VII. External Support		
Government Support		Strong
Issuer Credit Rating		A-

Source: Lianhe Global

¹ Business Analysis contains sub-factors of market position, diversification, competitive position, operating efficiency and profitability.

² Financial Analysis contains sub-factors of debt/EBITDA, EBITDA interest coverage, debt/capitalization and quick ratio.

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