Chengdu Jianjiang Investment Group Co., Ltd.

Lianhe Ratings Global Limited has upgraded the global scale Long-term Issuer Credit Rating of Chengdu Jianjiang Investment Group Co., Ltd. ("CJIG") to 'A-' from 'BBB+'; Issuer Rating Outlook Stable

Summary	
Issuer Rating	A-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	4 November 2026

Summary

The Issuer Credit Rating upgrade reflects the upgrade in our internal credit assessment on the People's Government of Pengzhou City, Chengdu City ("Pengzhou government") and the expectation of a continuing high possibility that the Pengzhou government would provide very strong support to CJIG if needed, in light of its full ownership of CJIG, CJIG's strategic importance as the sole local investment and development company ("LIDC") that is responsible for infrastructure construction and state-owned asset operation in Pengzhou City ("Pengzhou"), Chengdu City ("Chengdu"), and the linkage between the Pengzhou government and CJIG, including appointment of the senior management, strategic alignment, supervision of major investment and financing plan decisions and ongoing operational and financial support. In addition, we believe that the Pengzhou government has a very strong willingness to ensure CJIG's business and financial viability in order to safeguard its reputation and local financing activities.

Pengzhou is a county-level city under the direct jurisdiction of Sichuan Province and administered by Chengdu. In 2025, Pengzhou's GDP grew steadily by 5.8% to RMB75.1 billion, while its budgetary revenue increased by 2.7% to RMB4.4 billion.

The Stable Outlook reflects our expectation that CJIG's strategic importance would remain intact while the Pengzhou government will continue to ensure CJIG's stable operation.

Rating Rationale

Government's Ownership and Supervision: The Pengzhou government holds 100% ownership of CJIG via the Pengzhou State-owned Assets Supervision and Administration Bureau ("Pengzhou SASAB"), which is both the sole shareholder and actual controller of the company. The Pengzhou government has the final decision-making authority and supervision over the company, including appointment and supervision of the senior management, strategy alignment and major investment and financing plan decisions, etc. In addition, the Pengzhou government formulates a performance assessment mechanism for the company and appoints auditors to review the company's operating performance and financial position on a periodic basis.

Strategic Alignment and Importance: CJIG, together with its subsidiaries, is the sole LIDC that is responsible for infrastructure construction and state-owned asset operation in Pengzhou. The company mainly engages in project construction and urban renovation in Pengzhou with strong regional advantage. It also engages in property sales and leasing, sand and other building material sales in Pengzhou. CJIG plays an important role in promoting the economic and social development of the region. Its business operation and strategic planning have been aligned with the government's development plans.

Ongoing Government Support: CJIG continues to receive ongoing support from the Pengzhou government, which includes operational subsidies, capital injections, and asset and equity transfers. CJIG received financial subsidies of RMB193.7 million and RMB88.3 million in 2025 and the first half of 2026, respectively. Meanwhile, CJIG received asset,

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Applicable Criteria

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

capital and equity injections with the total amount of RMB267.5 million between 2025 and the first half of 2026. Given CJIG's strategic importance in Pengzhou, we believe that the support from the Pengzhou government remains intact.

CJIG's Financial and Liquidity Position: CJIG's asset continued to expand as it actively participated in Pengzhou's project development. Its asset size reached RMB135.6 billion and RMB140.1 billion at end-2025 and end-June 2026, respectively, from RMB132.8 billion at end-2024. The company mainly relied on borrowings to finance its construction projects. As a result, its total debts also increased to RMB66.9 billion at end-June 2026, compared with RMB65.2 billion at end-2024. The company's financial leverage, as measured by the debt to capitalization ratio, increased to 54.3% at end-June 2026, compared with 53.7% at end-2024.

CJIG's short-term debt servicing pressure is moderately high. At end-June 2026, the company had a total cash balance of RMB8.2 billion (including restricted cash of RMB1.8 billion), compared with its debt due within one year of RMB13.7 billion. Nevertheless, CJIG has access to various financing channels, including bank loans, onshore and offshore bond issuances, and other financing options to support its debt repayments and business operations. At end-2025, the company had unused credit facilities of RMB19.6 billion.

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Pengzhou

Pengzhou is a county-level city under the direct jurisdiction of Sichuan Province and administered by Chengdu. Pengzhou's GDP increased to RMB75.1 billion in 2025 from RMB71.5 billion in 2024, while GDP growth moderated to 5.80% from 6.50%. The tertiary sector's contribution to the economy rose to 40.9% in 2025 from 39.4% in 2024, while the contribution from the secondary sector declined to 50.9% from 51.8% over the same period. Fixed asset investment growth remained strong at 10.5%, although it was slightly slower than 12.0% recorded in 2024.

Pengzhou's GDP Economic Condition

(RMB billion)	2023	2024	2025
GDP	66.1	71.5	75.1
-Primary industry (%)	10.0	8.7	8.2
-Secondary industry (%)	54.8	51.8	50.9
-Tertiary industry (%)	35.2	39.4	40.9
GDP growth rate (%)	3.1	6.5	5.8
Fixed asset investment growth rate (%)	-2.5	12.0	10.5
Population (million)	0.8	0.8	0.8

Source: Financial Bureau of Pengzhou, Statistical Bureau of Pengzhou and Lianhe Global's calculations

Fiscal Condition of Pengzhou

The budgetary revenue of the Pengzhou government increased to RMB4.4 billion in 2025 from RMB4.3 billion in 2024, representing a growth of 2.7%. Tax revenue rose to RMB2.90 billion, representing 65.9% of budgetary revenue, up from 64.4% in 2024. Government fund income edged higher to RMB3.5 billion from RMB3.4 billion, while transfer payments increased to RMB5.0 billion from RMB4.9 billion over the same period. On the other hand, budgetary expenditure rose to RMB7.5 billion.

The outstanding debt of the Pengzhou government grew orderly in past few years. At end-2025, the Pengzhou government's outstanding debt increased to RMB15.7 billion from RMB11.2 billion at end-2024, mainly due to the issuance of special purpose bonds to support local infrastructure and public projects. Besides, its government debt ratio, as measured by the total government debt to aggregate revenue, increased to 122.1% at end-2025 from 89.5% at end-2024.

Pengzhou's Fiscal Condition

(RMB billion)	2023	2024	2025
Budgetary revenue	4.2	4.3	4.4
Budgetary revenue growth rate (%)	1.6	2.1	2.7
Tax revenue	2.9	2.8	2.9
Tax revenue (% of budgetary revenue)	68.6	64.4	65.9
Government fund income	3.4	3.4	3.5
Transfer payment	3.6	4.9	5.0
Aggregate revenue	11.3	12.6	12.8
Budgetary expenditure	6.7	7.1	7.5
Budget balance[1] (%)	-60.4	-66.2	-69.5
Government debt ratio (%)	80.2	89.5	122.1

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

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

Company Profile

CJIG was established in March 2008 with an initial registered capital of RMB0.5 million, funded by Pengzhou Modern Transportation and Logistics Co., Ltd. Following an array of equity transfers and capital injections, CJIG's registered capital and paid-in capital were both RMB3.6 billion at end-June 2026. Pengzhou SASAB is both the sole shareholder and actual controller of CJIG.

CJIG, together with its subsidiaries, is the sole LIDC that is responsible for infrastructure construction and state-owned asset operation in Pengzhou. The company mainly engages in project construction and urban renovation in Pengzhou with strong regional advantage. It also engages in property sales and leasing, sand and other building material sales in Pengzhou. CJIG's total revenue reached RMB6.0 billion in 2025, with a gross margin of 17.9% over the same period.

Key Financial Data

(RMB million)	2023	2024	2025	2026.6
Total Assets	118,220	132,816	135,591	140,141
Equity	52,279	56,120	56,536	56,378
Debt	57,637	65,219	63,693	66,945
Debt / (Debt + Equity) (%)	52.4	53.7	53.0	54.3
Unrestricted cash/ST Debts (x)	0.3	0.2	0.3	0.5
Debt/EBITDA (x)	36.1	37.3	38.0	-

Revenue	6,009	6,030	6,047	3,001
Gross Margin (%)	20.3	19.2	17.9	17.9
Cash from sales or services/ Revenue (%)	89.0	84.5	100.1	118.3

Source: CJIG and Lianhe Global's calculations

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