

## **Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Chengdu Dongjin Huaizhou Xincheng Investment Group Co., Ltd.’s proposed offshore bonds**

HONG KONG, 19 December 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to the senior unsecured offshore bonds (“the Bonds”) to be issued by Chengdu Dongjin Huaizhou Xincheng Investment Group Co., Ltd. (“CDHXI”; ‘BBB-’/Stable).

CDHXI intends to use the net proceeds from this offering for project investment, supplement of working capital and general corporate purposes.

### **Key Rating Rationales**

The Bonds are rated at the same level as CDHXI’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of CDHXI. The payment obligations of CDHXI under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects the People’s Government of Jintang (“Jintang government”)’s full ownership of CDHXI, CDHXI’s strategic position as the core construction and operation entity responsible for project construction and management, residential construction and infrastructure construction and operation in Jintang District, especially in Huaizhou Xincheng Functional Area, as well as the strong linkage between the Jintang government and CDHXI, hence a high possibility that the Jintang government would provide strong support to CDHXI if needed. In addition, the Jintang government may face significant negative impact on its reputation, business and financing activities should CDHXI encounter any operational or financial difficulties.

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

### **Rating Sensitivities**

Any rating action on CDHXI’s rating would result in a similar rating action on the Bonds.

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

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

### **About Lianhe Global**

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

### **Rating Methodology**

The principal methodology used in this CDHXI's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website [www.lhratingsglobal.com](http://www.lhratingsglobal.com).

**Note:** The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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