

Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Chengdu Xinjin City Industry Development Group Company Ltd.

HONG KONG, 13 October 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Chengdu Xinjin City Industry Development Group Company Ltd. (“CXCID”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Xinjin District (“Xinjin government”) would provide strong support to CXCID if needed, in light of its full ownership of CXCID, CXCID’s strategic position as the major local investment and development company participating in infrastructure construction and state-owned asset operation in Xinjin District of Chengdu City, as well as the strong linkage between the Xinjin government and CXCID, including control of the board of directors, management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Xinjin government may face significant negative impact on its reputation, business and financing activities should CXCID encounter any operational or financial difficulties.

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

Rating Sensitivities

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

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

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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