

**Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to Chengdu Xiangcheng Investment Group Co., Ltd.'s CNY Bonds**

HONG KONG, 7 December 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to the CNY1,560 million, 4.8% senior unsecured bonds due 2026 (“the Bonds”) issued by Chengdu Xiangcheng Investment Group Co., Ltd. (“CXIG”; ‘BBB+/Stable’).

CXIG intends to use the net proceeds from this offering for refinancing of the medium to long-term offshore bonds due within one year of the date of the NDRC Certificate.

**Key Rating Rationales**

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

CXIG’s Issuer Credit Rating reflects a high possibility that the People’s Government of Xindu District of Chengdu City (“Xindu government”) would provide very strong support to CXIG if needed, in light of its full ownership of CXIG, CXIG’s strategic importance as the only local investment and development company in Xindu District of Chengdu City, and the linkage between the Xindu government and CXIG, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions, and ongoing government support. In addition, the Xindu government may face significant negative impact on its reputation and financing activities if CXIG encounters any operational and financial difficulties.

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

**Rating Sensitivities**

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

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

We would consider upgrading CXIG’s rating if there is an upgrade in our internal credit assessment on the Xindu 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 CXIG'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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