

Lianhe Global has affirmed ‘BBB+’ global scale Long-term Issuer and Issuance Credit Rating of Chengdu Xiangcheng Investment Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 8 April 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Chengdu Xiangcheng Investment Group Co., Ltd. (“CXIG”). The Outlook is Stable.

Lianhe Global has also affirmed ‘BBB+’ global scale Long-term Issuance Credit Rating of senior unsecured CNY Bond issued by CXIG at the same time. A full list of affirmed issuance rating is included in this press release.

Key Rating Rationales

The 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 most important local investment and development company (“LIDC”) responsible for infrastructure construction and urban development and operation in Xindu District of (“Xindu”) of Chengdu City (“Chengdu”), 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

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.

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

Full List of Issuance Rating

- CNY1,560 million 4.8% senior unsecured bonds due 2026 affirmed at ‘BBB+’

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.

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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