

## **Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to Chengdu ETDZ State-owned Investment Group Co., Ltd.’s USD sustainable senior bonds**

HONG KONG, 21 November 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to the USD348.34 million, 6.5% sustainable senior Bonds due 2027 (“the Bonds”) issued by Chengdu ETDZ State-owned Investment Group Co., Ltd. (“CESI”; ‘BBB+/Stable’).

CESI intends to use the net proceeds from this offering for refinancing indebtedness in accordance its Sustainable Financing Framework.

### **Key Rating Rationales**

The Bonds are rated at the same level as CESI’s global scale Long-term Issuer Credit Rating of ‘BBB+’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of CESI. The payment obligations of CESI 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 a high possibility that the People’s Government of Longquanyi District (“the Longquanyi government”) would provide very strong support to CESI if needed, in light of its indirect full ownership of CESI, CESI’s strategic importance as the most important development and operation entity in Chengdu’s Longquanyi District and the linkage between the local government and CESI, including appointment of the senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the Longquanyi government may face significant negative impact on its reputation and financing activities if CESI encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

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

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

We would consider upgrading CESI's rating if there is an upgrade in our internal credit assessment on the Longquanyi 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 CESI's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 31 July 2024, 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. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

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