

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

HONG KONG, 14 April 2025 – 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 revised to positive.

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 (“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 Positive Outlook reflects our expectation that CXIG’s strategic importance would be strengthened as it deepens its role in regional development under the guidance of the Xindu government. The company is poised to strengthen its position as a sole player in infrastructure development, land consolidation, and supporting facilities projects within Xindu. Furthermore, its active participation in fostering regional industrial growth aligns closely with the Xindu government’s development plan.

Xindu is a district under the jurisdiction of Chengdu City. Its GDP grew steadily by 5.7% to RMB113.0 billion in 2024.

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 CNY 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.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2024)
The methodology 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. None of the aforementioned entities nor its related parties participate in the rating process aside from providing information requested by Lianhe Global.

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