

Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Chengdu Jianjiang Investment Group Co., Ltd.

HONG KONG, 6 November 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Chengdu Jianjiang Investment Group Co., Ltd. (“CJIG” or “the company”). The Outlook is Stable.

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

Pengzhou is a county-level city under the direct jurisdiction of Sichuan Province and administered by Chengdu. In 2024, Pengzhou’s GDP grew steadily by 6.5% to RMB71.5 billion, while its budgetary revenue increased by 2.1% to RMB4.3 billion.

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

Key Rating Rationales

Government’s Ownership and Supervision: The Pengzhou government holds 100% ownership of CJIG via the Pengzhou State-owned Assets Supervision and Administration Bureau (“Pengzhou SASAB”), which is both the sole shareholder and actual controller of the company. The Pengzhou government has the final decision-making authority and supervision over the company, including appointment and supervision of the senior management, strategy alignment and major investment and financing plan decisions, etc. In addition, the Pengzhou government formulates a performance assessment mechanism for the company and appoints auditors to review the company’s operating performance and financial position on a periodic basis.

Strategic Importance and Strategic Alignment: CJIG is the sole LIDC that is responsible for infrastructure construction and state-owned assets management in Pengzhou. The company mainly engages in municipal projects construction, urban renovation and resettlement housing construction in Pengzhou with strong regional advantage. It also engages in property sales and leasing, sand and other building material sales in Pengzhou.

CJIG plays an important role in promoting the economic and social development of the region. Its business operation and strategic planning have been aligned with the government's development plans.

Strong Government Support: CJIG continued to receive financial subsidies and asset/capital injections from the Pengzhou government to support its business operations. Between 2022 and the first six months of 2025, CJIG received financial subsidies of RMB1.1 billion from the Pengzhou government. Meanwhile, the company received asset and capital injections from the Pengzhou government in the form of cash, lands, buildings, construction projects, equity transfers and other assets. We believe the government support will remain intact given the company's strategic importance in Pengzhou.

CJIG's Financial and Liquidity Position: CJIG's asset base expanded over the past three years as it actively participated in Pengzhou's project development. Its asset size reached RMB138.2 billion at end-June 2025, up from RMB118.6 billion at end-2022. The company mainly relied on borrowings to finance its construction projects. As a result, CJIG's financial leverage, as measured by debt-to-capitalization, rose to 54.8% at end-June 2025 from 48.5% at end-2022.

CJIG's short-term debt servicing pressure is moderately high. At end-June 2025, the company's short-term debt totaled about RMB17.8 billion, compared with RMB9.1 billion of cash on hand. Yet CJIG retains access to a range of funding channels, including bank borrowings, onshore and offshore bond issuance and non-traditional financing. The company had a total credit facility of RMB87.1 billion, of which RMB23.9 billion was unused, at end-September 2025.

Rating Sensitivities

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

We would consider upgrading CJIG's rating if there is an upgrade in our internal credit assessment on the Pengzhou 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.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)
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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