

Chengdu Dongjin Huaizhou Xincheng Investment Group Co., Ltd.

Summary

Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	27 November 2025

Lianhe Ratings Global Limited (“Lianhe Global”) has upgraded the global scale Long-term Issuer Credit Rating of Chengdu Dongjin Huaizhou Xincheng Investment Group Co., Ltd. (“CDHXI” or “the company”) to ‘BBB’ from ‘BBB-’; Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating upgrade reflects CDHXI’s strategic importance, driven by its increased role in the industry development. The company has further expanded its role in the digital energy industry, which involves the feasibility study and establishment of energy storage projects, and establishment of ancillary facilities of industrial parks, such as heating pipe networks, charging stations, parking lots, etc. These involvements are fully aligned with the local government’s plan and development.

We believe this continues to reflect a high possibility that the People’s Government of Jintang District (“Jintang government”) would provide strong support to CDHXI if needed, in light of its full ownership of CDHXI, CDHXI’s strategic position as the core construction and operation entity responsible for project construction and management, residential construction and infrastructure construction and operation in Jintang County (“Jintang”), especially in Huaizhou Xincheng Functional Area (“Xincheng”) as well as the linkage between the Jintang government and CDHXI, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Jintang government may face significant negative impact on its reputation and financing activities if CDHXI encounters any operational and financial difficulties.

Jintang is a county in Chengdu City. Jintang’s GDP grew steadily by 6.0% to reach RMB70.6 billion in 2024. The budgetary revenue of the Jintang government increased to RMB5.1 billion in 2024.

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

Rating Rationale

Government’s Ownership and Supervision: The Jintang government holds 100% stake of CDHXI through the State-owned Assets Supervision, Administration and Finance Bureau of Jintang County, Chengdu City (“Jintang SASAFB”). The Jintang government is the ultimate controller of the company. It has the final decision-making authority and supervises the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Jintang government has assessment mechanism over the company and appoints auditors to supervise the operating performance and financial position on a periodic basis.

Strategic Importance and Strategic Alignment: CDHXI is a core construction and operation entity responsible for project construction and management, residential construction and infrastructure construction and operation in Jintang. CDHXI mainly undertakes urban comprehensive development in Xincheng. It also plays an important role

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Applicable Criteria

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

in promoting the development strategy of Chengdu's "Eastward" development theme, optimizing industrial resource allocation, and improving industrial operation efficiency in the region. CDHXI's strategic and development plans have been aligned with the government's strategy plan, aiming to promote the comprehensive urban development in Jintang and Xincheng.

Ongoing Government Support: CDHXI received support from the Jintang government for its business operations, including asset and equity transfers and fiscal subsidies. Over the past three years, CDHXI benefited from multiple state-owned asset and equity transfers executed through its shareholder. In addition, CDHXI received financial subsidies with a total amount of RMB0.7 billion from the Jintang government from 2022 to the first six months of 2025, mainly to support its operations. We believe CDHXI is likely going to receive government support in the form of operational and/or financial subsidies to support its daily business operation.

CDHXI's Financial and Liquidity Position: CDHXI's total assets increased moderately from RMB79.3 billion at end-2024 to RMB82.3 billion at end-June 2025. The total adjusted debt of CDHXI decreased from RMB18.7 billion at end-2024 to RMB16.6 billion at end-June 2025. Similarly, the financial leverage, as measured by the debt to capitalization ratio, decreased to 25.9% at end-June 2025.

CDHXI's liquidity was weak, as it had an unrestricted cash balance of RMB0.85 billion at end-June 2025, compared with its outstanding debt of RMB8.0 billion to be due within one year. Nevertheless, CDHXI has unused credit facilities of RMB4.5 billion at end-August 2025. The company is able to roll over most of its short-term debt, as most of it is bank loan. Moreover, CDHXI has access to various financing channels, including bank loans, bond issuance and other non-bank financing to support its debt repayment and business operation.

Rating Sensitivities

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

We would consider upgrading CDHXI's rating if (1) there is strengthened support from the Jintang government, or (2) there is an upgrade in our internal credit assessment on the Jintang government.

Operating Environment

Economic Condition of Jintang

Jintang's economy maintained stable growth in the past few years and its GDP reached RMB70.63 billion in 2024, representing a year-on-year growth of 6.2% (2023: 8.1%). Jintang's economic growth was mainly fueled by secondary and tertiary industries, which accounted for 39.3% and 50.4% of GDP in 2024, respectively. The GDP per capita of Jintang was RMB80,500 in 2024, demonstrating solid economic development momentum as a county under Chengdu City's administration in Sichuan Province.

Jintang's Economic Condition

(RMB billion)	2022	2023	2024
GDP	60.29	65.03	70.63
-Primary industry (%)	11.90	12.60	10.30
-Secondary industry (%)	40.60	38.40	39.30
-Tertiary industry (%)	47.50	49.00	50.40
GDP growth rate (%)	6.50	8.10	6.20
Fixed asset investment growth rate (%)	5.30	-6.54	11.30
Population (million)	0.80	0.81	0.81

Source: Financial Bureau of Jintang, statistical bureau of Jintang and Lianhe Global's calculations

Fiscal Condition of Jintang

The budgetary revenue of the Jintang government increased to RMB5.11 billion in 2024 from RMB4.48 billion in 2023, representing a growth of 14.2%, with the contribution of tax revenue declining to 34.9% from 38.1% over the same period. The fiscal self-sufficiency rate of the Jintang government remained weak, with the budget deficit increasing to 79.6% at end-2024, compared with 68.4% in 2023.

The outstanding debt of the Jintang government kept growing in past few years. At end-2024, the Jintang government's outstanding debt increased to RMB30.92 billion from RMB27.76 billion at end-2023, mainly due to the issuance of special purpose bonds to support local infrastructure and public projects. However, its government debt ratio, as measured by the total government debt to aggregate revenue, decreased slightly to 207.5% at end-2024 from 208.5% at end-2023.

Jintang's Fiscal Condition

(RMB billion)	2022	2023	2024
Budgetary revenue	4.07	4.48	5.11
Budgetary revenue growth rate (%)	-3.00	10.10	14.20
Tax revenue	1.53	1.71	1.78
Tax revenue (% of budgetary revenue)	37.54	38.11	34.89
Government fund income	4.01	3.81	3.52
Transfer payment	4.61	5.04	6.27
Aggregate revenue	12.68	13.32	14.90
Budgetary expenditure	6.91	7.54	9.18
Budget balance ¹ (%)	-69.99	-68.39	-79.61
Government debt ratio (%)	190.89	208.50	207.54

¹ Budget balance = (1 - budgetary expenditure / budgetary revenue) * 100%

Source: Financial Bureau of Jintang, statistical bureau of Jintang and Lianhe Global's calculations

Company Profile

CDHXI, initially named as Chengdu Xingjin Industry Investment Co., was established in January 2018 under the approval of Jintang County State-owned Assets Management Committee ("Jintang SAMC") with an initial registered capital of RMB100 million. In February 2018, the company's name was changed to Chengdu Xingjin Industry Investment Group Co., and was further changed to CDHXI in 2020. Jintang SASAFB, as the sole shareholder, is the controlling shareholder and the actual controller of CDHXI at end-June 2025.

CDHXI is one of the core operating entities for project construction and management, residential construction and infrastructure construction and operation in Jintang. CDHXI is mainly focusing on the urban comprehensive development in Jintang and Xincheng. It also plays an important role in promoting the development strategy of Chengdu's "Eastward" development theme, optimizing industrial resource allocation, and improving industrial operation efficiency in the region.



Key Financial Data

(RMB million)	2022	2023	2024	2025.6
Total Assets	82,497	82,539	79,278	82,319
Equity	47,100	47,923	47,079	47,614
Debt	23,279	21,447	18,737	16,602
Debt / (Debt + Equity) (%)	33.1	30.9	28.5	25.9
Unrestricted cash/ST Debts (x)	0.3	0.1	0.1	0.1
Debt/EBITDA (x)	5.6	21.3	26.0	-
Revenue	4,102	4,976	5,471	2,978
Operation Profit	883	781	739	193
Gross Margin (%)	12.3	7.4	7.5	8.5
Cash from sales or services/ Revenue (%)	98.5	108.1	117.4	102.4

Source: The company and Lianhe Global's calculations

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