

**Lianhe Global has assigned 'A+' global scale Long-term Issuer Credit Rating with Stable Outlook to Suzhou Xiangcheng District Industrial Holdings Development Co., Ltd.**

HONG KONG, 31 December 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A+’ global scale Long-term Issuer Credit Rating to Suzhou Xiangcheng District Industrial Holdings Development Co., Ltd. (“SXIH” or “the company”). The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Xiangcheng District, Suzhou City (“the Xiangcheng government”) would provide very strong support to SXIH if needed. This mainly considers the Management Committee of Suzhou Xiangcheng Economic Technology Development Zone’s (“the Management Committee”), an outposted office of the Xiangcheng government and the de facto local government of Suzhou Xiangcheng Economic Technology Development Zone (“Xiangcheng ETDZ”), direct full ownership of SXIH and SXIH’s strategic importance as an important development and operation entity in Xiangcheng District, especially in Xiangcheng ETDZ. The linkage between the local government and SXIH is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe the local government has a strong willingness to prevent SXIH from encountering any operational or financial difficulties in order to safeguard its reputation and financing activities.

Xiangcheng District is a municipal district of Suzhou City, Jiangsu Province with a well-developed economy. Xiangcheng District achieved a GDP of RMB13.9 billion in 2024 with a growth rate of 6.8%. The Xiangcheng government’s budgetary revenue increased by 1.4% to RMB15.7 billion. Xiangcheng ETDZ is a national level economic development zone, playing an essential role in promoting Xiangcheng District’s economic and industrial development.

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

#### **Key Rating Rationales**

**Government’s Ownership and Supervision:** SXIH is wholly owned by the Management Committee, and the Xiangcheng government is the company’s actual controller. The local government has strong control and supervision over the company, including senior management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Xiangcheng government has assessment mechanism over the company and it appoints auditors to supervise the operating performance and financial position on a periodic basis.

**Strategic Importance and Strategic Alignment:** SXIH is an important development and operation entity in Xiangcheng District and is mainly responsible for the development of

Xiangcheng ETDZ. The company undertakes major industrial investment and development, as well as urban renewal projects within the region. It also develops and operates industrial parks to promote local economic development. SXIH's business operations and development are closely aligned with the local government's policies.

**Strong Government Support:** SXIH received ongoing operational and financial support from the local government. In 2024, the local government injected a large amount of cash capital into the company. In addition, SXIH received ongoing operational subsidies and interest subsides between 2022 and the first nine months of 2025 to support its operation and debt repayment. Given that SXIH's strategic importance, we believe it is likely to receive timely government support.

**SXIH's Financial Matrix and Liquidity Position:** SXIH's total asset increased steadily as it actively participated in Xiangcheng District's project development. The company's borrowings also increased. Yet its financial leverage, as measured by debt to capitalization, stayed at a manageable level thanks to the local government's cash capital.

At end-September 2025, the company's unrestricted cash to short-term debt ratio was moderately low. Nevertheless, SXIH maintains access to diverse funding sources, including bank loans, bond issuances, and other non-traditional channels to support ongoing operations. The company had adequate unused bank facilities.

### **Rating Sensitivities**

We would consider downgrading SXIH'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 SXIH, or (3) there is a downgrade in our internal credit assessment on the Xiangcheng government.

We would consider upgrading SXIH's rating if there is an upgrade in our internal credit assessment on the Xiangcheng 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](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 rating process aside from providing information requested by Lianhe Global.

## Contact Information

Primary Analyst, Hong Kong  
Roy Luo, CFA, FRM, CESGA  
Director  
(852) 3462 9582  
[roy.luo@lhratingsglobal.com](mailto:roy.luo@lhratingsglobal.com)

Secondary Analyst, Hong Kong  
Rechel Chen  
Analyst  
(852) 3462 9589  
[rechel.chen@lhratingsglobal.com](mailto:rechel.chen@lhratingsglobal.com)

Committee Chairperson and Ratings Approver, Hong Kong  
Toni Ho, CFA, FRM  
Senior Director  
(852) 3462 9578  
[toni.ho@lhratingsglobal.com](mailto:toni.ho@lhratingsglobal.com)

Investor and Media Relations Contact, Hong Kong  
Alice Wang  
Associate Director  
(852) 3462 9568; (86) 185 1686 2143  
[alice.wang@lhratingsglobal.com](mailto:alice.wang@lhratingsglobal.com)

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