

Anqing Yixiu District Beautiful Village Construction Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB-’ global scale Long-term Issuer and Issuance Credit Rating of Anqing Yixiu District Beautiful Village Construction Co., Ltd. (“AYVC”); Issuer Rating Outlook is Stable

Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Yixiu District (“Yixiu government”) would provide strong support to AYVC if needed. This mainly considers its full ownership of AYVC and AYVC’s strategic importance as a key local investment and development company (“LIDC”) in Anqing’s Yixiu District (“Yixiu”). In addition, the linkage between the Yixiu government and AYVC is strong, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, we believe that the local government has a strong willingness to ensure the issuer’s business and financial viability in order to safeguard its reputation and local financing activities.

Lianhe Global has also affirmed ‘BBB-’ global scale Long-term Issuance Credit Rating of the senior unsecured bonds issued by AYVC at the same time. A full list of affirmed issuance rating is included in this report.

Yixiu is a district under the jurisdiction of Anqing City, Anhui Province. Yixiu’s GDP grew steadily by 6.0% to RMB19.2 billion in 2025.

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

Rating Rationale

Government’s Ownership and Supervision: The Yixiu government, as the ultimate controller, owns 100% share of AYVC through the Yixiu Finance Bureau. The Yixiu government has strong control and supervision over the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Yixiu 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 Alignment: AYVC, as an important LIDC in Yixiu, is primarily responsible for infrastructure construction and affordable housing development within the region. The company also operates industrial parks to promote local industrial development. AYVC plays an important role in promoting the economic and social development of the region. Its business operation and development have been aligned with the government’s development plans.

Strong Government Support: The Yixiu government provides ongoing support to AYVC. The local government injected cash capital of RMB45.0 million into AYVC through its shareholder in 2024. The company also received operational subsidies of RMB36.7 million and RMB0.3 million in 2024 and the first nine months of 2025, respectively. We expect that the local government’s support to AYVC would remain intact given its strategic importance.

AYVC’s Financial and Liquidity Position: As the company actively participated in the development of Yixiu in the past three years, AYVC’s total assets increased to RMB12.3

Summary

Issuer Rating	BBB-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	20 April 2026

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Applicable Criteria

[China Local Investment and Development Companies Criteria \(31 July 2025\)](#)

billion at end-September 2025 from RMB7.2 billion at end-2022. The company relied on both borrowings and government's capital injections to fund its expansion. At end-September 2025, its financial leverage, measured by the debt-to-capitalization ratio, increased to 35.8% from 25.5% in 2022.

AYVC's short-term debt servicing pressure was manageable. At end-September 2025, the company had RMB520 million in cash, including RMB37 million of restricted cash, against RMB613 million of short-term debt. Nevertheless, the company retained access to multiple funding channels, including bank loans, bond markets and other financing sources. At end-September 2025, total credit facilities were RMB4.8 billion, with RMB1.7 billion undrawn. We also expect the local government to provide timely support to AYVC if needed.

Rating Sensitivities

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

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

Full List of Issuance Rating

A full list of issuance rating is included below. Any rating action on AYVC's rating would result in a similar rating action on the bonds:

- CNY265.1 million 7.80% senior unsecured bonds due 2027 affirmed at 'BBB-'
- USD45 million 7.60% senior unsecured bonds due 2028 affirmed at 'BBB-'
- USD55 million 6.90% senior unsecured bonds due 2028 affirmed at 'BBB-'

Operating Environment

Economic Condition of Yixiu

Yixiu District is located in the northeastern part of Anqing City's urban area. Yixiu District maintained steady economic growth in the past few years, with the growth rates recording at 4.0%, 6.3% and 5.4% in 2022, 2023 and 2024, respectively. Yixiu District's GDP reached RMB18.1 billion in 2024 and the economic growth was mainly fueled by secondary and tertiary industries, which accounted for 31.2% and 63.0% of total GDP in 2024, respectively. Yixiu's GDP grew steadily by 6.0% to RMB19.2 billion in 2025.

Yixiu's Economic Condition			
(RMB billion)	2022	2023	2024
GDP	15.5	16.3	18.1
-Primary industry (%)	6.2	5.8	5.8
-Secondary industry (%)	31.7	31.2	31.2
-Tertiary industry (%)	62.1	63.0	63.0
GDP growth rate (%)	4.0	6.3	5.4
Fixed asset investment growth rate (%)	9.2	1.0	-17.5
Population (million)	0.2	0.2	0.2

Source: Statistical Bureau of Yixiu and Lianhe Global's calculations

Fiscal Condition of Yixiu

Yixiu District's aggregate fiscal revenue is mainly derived from budgetary revenue, which increased steadily to RMB1.4 billion in 2024 from RMB1.1 billion in 2022. The fiscal self-sufficiency of the Yixiu government was moderately weak with a budget deficit of 16.6% in 2024.

The outstanding debt of the Yixiu government continued to grow. At end-2024, the Yixiu government's outstanding debt was RMB1.4 billion, up from RMB1.2 billion at end-2022. The fiscal debt ratio, as measured by total government debt outstanding/aggregate revenue, decreased to 59.1% at end-2024 from 63.0% at end-2022.

Yixiu's Fiscal Condition (RMB billion)	2022	2023	2024
Budgetary revenue	1.1	1.2	1.4
Budgetary revenue growth rate (%)	11.6	14.7	14.3
Tax revenue	1.0	1.1	1.3
Tax revenue (% of budgetary revenue)	89.4	90.2	93.5
Government fund income	0.0	0.0	0.0
Transfer payment	0.8	0.8	1.0
Aggregate revenue	1.9	2.1	2.4
Budgetary expenditure	1.3	1.5	1.6
Budget balance ¹ (%)	-17.4	-24.6	-16.6
Government debt ratio (%)	63.0	68.8	59.1

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

Source: Finance Bureau of Yixiu and Lianhe Global's calculations

Company Profile

AYVC is the most important LIDC that undertakes infrastructure and affordable housing construction, and property leasing in Yixiu, and enjoys a strong regional franchise advantage. The primary sources of the company's operating income are infrastructure and affordable housing develop, while the company also engages in property leasing, water supply, property management, gravel mining and other activities. AYVC recorded total revenue of RMB2.8 billion, 3.3 billion, 3.4 billion and 2.0 billion in 2022, 2023, 2024 and the first nine months of 2025, respectively, representing an upward trend. AYVC's gross margin fluctuated between 12.0% to 20.0% over the same period.

AYVC's Key Financial Data (RMB million)	2022	2023	2024	2025.9
Total Assets	84,127	94,678	106,660	112,714
Equity	40,857	41,834	39,821	40,522
Debt	39,189	42,462	42,060	42,053
Debt / (Debt + Equity) (%)	49.0	50.4	51.4	50.9
Unrestricted cash/ST Debts (x)	0.1	0.1	0.1	0.1
Debt/EBITDA (x)	44.5	42.7	35.4	-
Revenue	2,793	3,338	3,359	1,960
Operation Profit	539	608	773	270
Gross Margin (%)	13.8	12.7	14.1	19.2
Cash from sales or services/ Revenue (%)	115.0	85.7	92.8	120.1

Source: AYVC and Lianhe Global's calculations

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