

# Chengdu Xiangcheng Investment Group Co., Ltd.

Lianhe Ratings Global Limited (“Lianhe Global”) has upgraded the global scale Long-term Issuer and Issuance Credit Rating of Chengdu Xiangcheng Investment Group Co., Ltd. (“CXIG”) to ‘A-’ from ‘BBB+’; Issuer Rating Outlook is Stable

## Summary

The Issuer Credit Rating upgrade reflects an upgrade in our internal credit assessment on the People’s Government of Xindu District, Chengdu City (“the Xindu government”) and the expectation of a continuing high possibility that the Xindu government would provide very strong support to CXIG if needed, in light of the Xindu government’s full ownership of CXIG, CXIG’s strategic importance as the most important local investment and development company (“LIDC”) that is responsible for infrastructure construction and urban development and operation in Xindu District (“Xindu”), and the strong linkage between the Xindu government and CXIG, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, we believe that the Xindu government has a very strong willingness to ensure CXIG’s business and financial viability to safeguard its reputation and local financing activities.

Xindu is a district under the jurisdiction of Chengdu City. The Xindu government’s budgetary revenue amounted to RMB7.2 billion in 2025 with a growth of 3.3%, while its GDP grew by 6.0% to reach RMB120.1 billion.

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

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

## Rating Rationale

**Government’s Ownership and Supervision:** The Xindu government via the State-owned Assets Supervision and Administration and Finance Bureau (“Xindu SASAFB”) holds 100% ownership of CXIG. The Xindu SASAFB is the sole shareholders and actual controller of the company. The Xindu government has strong supervision over CXIG, including appointment and supervision of the senior management, strategy alignment and major investment and financing plan decisions, etc. In addition, the Xindu government has formulated a performance appraisal policy for the company, and regularly appoints auditors to review the company’s operating performance and financial position.

**Strategic Importance and Strategic Alignment:** As the most important LIDC responsible for infrastructure construction and urban development and operation in the region, CXIG undertakes important functions assigned by the local government, holding a core position in the construction of urban infrastructure and affordable housing in Xindu. In addition, it carries out various functions to maintain urban operation, including public transport operations, water supply, industrial park development and parking lot operations within the region. CXIG plays an important role in urban development and operation in Xindu, and improves people’s

## Summary

Issuer Rating	A-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	9 April 2026

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## Applicable Criteria

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

livelihoods. CXIG's strategic planning and development has been aligned with the local government's development plans and policies.

**Ongoing Government Support:** CXIG continued to receive financial subsidies and asset/capital injections from the local government to support its business operations. Between 2024 and the first nine months of 2025, CXIG received financial subsidies of totally about RMB1.7 billion from the local government. Besides, the company continued to received asset injections in the form of cash, equity transfers, buildings, operation right, etc. We expect the government support will remain intact given CXIG's function and strategic importance in Xindu.

**CXIG's Financial Matrix and Liquidity Position:** CXIG's total assets increased to RMB194.5 billion at end-2024 from RMB173.1 billion at end-2023, and further expanded to RMB216.2 billion as of end-September 2025. The company's total debt grew to RMB106.6 billion from RMB95.7 billion over the same period, and continued to rise to RMB113.8 billion by end-September 2025. Its financial leverage, as measured by the debt to capitalization ratio, increased slightly to 60.9% at end-2024 from 60.6% at end-2023, before improving to 58.8% at end-September 2025.

CXIG's short-term debt servicing pressure was tight. The company had unrestricted cash of RMB14.5 billion compared to its debt due within one year of RMB34.3 billion at end-September 2025. Nonetheless, CXIG maintains access to diversified financing channels, including bank loans, bond issuance and non-traditional financing, to support its debt repayment and business operations. Also, the company had unused bank facilities totaling RMB32.1 billion at end-September 2025.

### 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, 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.

### Full List of Issuance Rating

Any rating action on CXIG's rating would result in a similar rating action on the bonds:

- CNY1,560 million 4.8% senior unsecured bonds due 2026 upgraded to 'A-'

### Operating Environment

#### Economic Condition of Xindu

Xindu's GDP grew by 6.0% to RMB120.1 billion in 2025 from RMB113.0 billion in 2024, rebounding from 5.7% growth in the prior year and matching the 6.0% expansion recorded in 2023. In 2025, the local economy continued its pronounced shift toward the tertiary sector, which rose to 70.8% of GDP from 70.2% in 2024, while the secondary industry declined further to 27.3% from 27.8% and the primary sector edged down to 1.9%. Fixed asset investment growth accelerated notably to 8.7% in 2025 from a subdued 1.5% in 2024, following a 5.0% expansion in 2023, indicating a significant recovery in investment activity.

**Xindu's Economic Conditions**

(RMB billion)	2023	2024	2025
GDP	108.6	113.0	120.1
-Primary industry (%)	4.1	2.0	1.9
-Secondary industry (%)	29.7	27.8	27.3
-Tertiary industry (%)	67.9	70.2	70.8
GDP growth rate (%)	6.0	5.7	6.0
Fixed asset investment growth rate (%)	5.0	1.5	8.7
Population (million)	1.6	1.6	1.6

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

**Fiscal Condition of Xindu**

Xindu's budgetary revenue grew by 3.3% to RMB7.2 billion in 2025, recovering from a 0.7% contraction in 2024, though remaining well below the robust 9.8% growth recorded in 2023. The tax revenue ratio declined to 71.2% from 73.5% in 2024 and 75.7% in 2023, indicating some deterioration in revenue quality. Government fund income recovered to RMB3.0 billion in 2025 from RMB2.5 billion in 2024 amid modestly improving land use right transfers.

The outstanding debt of the Xindu government increased substantially to RMB21.1 billion at end-2025 from RMB18.0 billion at end-2024, mainly due to the new issuance of special-purpose debts to support local public projects. As a result, its government debt ratio, as measured by total government debt/aggregate revenue, expanded significantly to 151.9% from 137.4% over the same period.

**Xindu's Fiscal Condition**

(RMB billion)	2023	2024	2025
Budgetary revenue	7.1	7.0	7.2
Budgetary revenue growth rate (%)	9.8	-0.7	3.3
Tax revenue	5.3	5.1	5.2
Tax revenue (% of budgetary revenue)	75.7	73.5	71.2
Government fund income	2.8	2.5	3.0
Transfer payment	3.5	3.5	3.4
Aggregate revenue	13.4	13.1	13.9
Budgetary expenditure	9.5	9.6	9.9
Budget balance <sup>1</sup> (%)	-34.7	-37.5	-37.0
Government debt ratio (%)	110.2	137.4	151.9

<sup>1</sup> Budget balance = (1-budgetary expenditure / budgetary revenue) \* 100%

Source: Finance Bureau of Xindu, statistical bureau of Xindu and Lianhe Global's calculations

**Company Profile**

CXIG was established as a wholly state-owned entity under the approval of the Xindu government in March 2017. At end-September 2025, CXIG's registered and paid-in capital were RMB5.0 billion and RMB3.9 billion, respectively, after an array of capital injections.

CXIG remains the most important LIDC that is responsible for infrastructure construction and urban development and operation in Xindu. CXIG undertakes important functions assigned by the local government, and it has a monopoly position in the construction of urban infrastructure and affordable housing in Xindu. In addition, it also carries out various business through its subsidiaries, including but not limit to trade business, leasing business, bus operation business, water supply and other state-owned assets operation in the region. The total revenue of CXIG was RMB7.6 billion and RMB7.0 billion in 2024 and the first nine months of 2025, respectively. The company's gross profit margin improved to 8.3% in 2024 from 7.3% in 2023.

<b>Key Financial Data</b>				
<b>(RMB million)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025.9</b>
Total Assets	157,239	173,087	194,487	216,157
Equity	63,671	62,086	68,282	79,695
Debt	79,180	95,685	106,561	113,817
Debt / (Debt + Equity) (%)	55.4	60.6	60.9	58.8
Unrestricted cash/ST Debts (x)	0.3	0.3	0.3	0.4
Debt/EBITDA (x)	47.8	57.4	57.6	-
Revenue	7,629	7,505	7,562	6,956
Operation Profit	531	559	620	222
Gross Margin (%)	6.5	7.3	8.3	10.6
Cash from sales or services/ Revenue (%)	48.6	57.8	76.4	81.5

*Source: CXIG and Lianhe Global's calculations*

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