Chengdu Dongjin Huaizhou Xincheng Investment Group Co., Ltd.

Summary	
Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	26 November 2026

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") to 'BBB+' from 'BBB'; Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating upgrade reflects CDHXI's enhanced strategic importance, given its deepening involvement and strengthened responsibility in the green energy development (such as the expected completion of energy storage projects), transportation hub upgrades (including expressway construction, capacity expansion and renovation of comprehensive transportation hub, and municipal ancillary facilities for railway stations), and ancillary facilities construction for the development of aviation industry and industrial parks in Jintang County ("Jintang"), especially in Huaizhou Xincheng Functional Area ("Huaizhou Xincheng").

We believe this continues to reflect a high possibility that the People's Government of Jintang County ("Jintang government") would provide very 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, especially in Huaizhou Xincheng, and the strong linkage between the Jintang government and CDHXI, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, we believe the Jintang government has a very strong willingness to ensure CDHXI's business and financial viability in order to safeguard its reputation and local financing activities.

Jintang is a county under the administration of Chengdu City, Sichuan Province. Jintang's GDP grew by 6.3% year-over-year to RMB75.1 billion in 2025, while the budgetary revenue of the Jintang government grew by 6.6% year-over-year to RMB5.4 billion over the same period.

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% ownership of CDHXI via the State-owned Assets Supervision and Administration Bureau of Jintang County ("Jintang SASAB"). 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, especially in Huaizhou Xincheng. Its strategic importance is further strengthened given its expanding role in the

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

green energy development, transportation hub upgrade, and the ancillary facilities projects which facilitates the development of aviation industry and industrial parks in the region. It also plays an important role in promoting Chengdu City's "Eastward" development strategy. CDHXI's business operation and development have been aligned with the Jintang government's development plans.

Ongoing Government Support: CDHXI continues to receive support from the Jintang government for its business operation, mainly including capital injections, asset injections and government subsidies. In 2025, CDHXI received financial subsidies of RMB462 million and a capital injection of RMB427 million, respectively. Given CDHXI's strategic importance in the region, we believe that the company is likely going to receive government support.

CDHXI's Financial Matrix and Liquidity Position: CDHXI's total assets increased steadily to RMB82.1 billion at end-June 2026, while its total debt decreased further to RMB16.0 billion, with the short-term debt and long-term debt accounting for 20.7% and 79.3% of the total debt, respectively. The company's financial leverage, as measured by the debt to capitalization ratio, reached 24.6% at end-June 2026, remaining at a relatively low level.

CDHXI's short-term debt servicing pressure is moderately high. At end-June 2026, CDHXI had an unrestricted cash of RMB736 million, compared with RMB6.8 billion of debt due within one year. Nevertheless, CDHXI has access to multiple financing channels, including bank borrowings, onshore and offshore bond issuance and other non-traditional financing channels to support its debt repayment and business operation. At end-June 2026, the company had total bank facilities of RMB10.1 billion, of which RMB2.0 billion were unused.

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, 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 there is an upgrade in our internal credit assessment on the Jintang government.

Operating Environment

Economic Condition of Jintang

Jintang's GDP reached RMB75.1 billion in 2025, representing a year-over-year growth of 6.3%, slightly higher compared with 6.2% in 2024. The economic structure of Jintang remained relatively stable, with the tertiary sector accounting for 50.9% of GDP in 2025. Fixed asset investment growth stayed robust at 10.1% in 2025, compared with 11.3% in 2024. GDP per capita rose further to RMB92,900 in 2025, higher than that of Sichuan province (c. RMB81,100).

Jintang's Economic Condition

(RMB billion)	2023	2024	2025
GDP	65.0	70.6	75.1
-Primary industry (%)	12.6	10.3	9.8
-Secondary industry (%)	38.4	39.3	39.3
-Tertiary industry (%)	49.0	50.4	50.9
GDP growth rate (%)	8.1	6.2	6.3
Fixed asset investment growth rate (%)	-6.5	11.3	10.1
Population (million)	0.8	0.8	0.8

Source: Statistics Bureau of Jintang and Lianhe Global's calculations

Fiscal Condition of Jintang

The budgetary revenue of the Jintang government increased to RMB5.4 billion in 2025 from RMB5.1 billion in 2024, while the contribution of tax revenue to budgetary revenue was further reduced to 33.4% from 34.9% over the same period. The fiscal self-sufficiency of the Jintang government remained relatively weak, although its budget deficit was narrowed to 53.4% in 2025 from 79.6% in 2024. In addition, government fund income and transfer payment from higher government dropped to RMB2.8 billion and RMB5.2 billion, respectively, in 2025.

The outstanding debt of the Jintang government kept growing in the past few years. At end-2025, the Jintang government's outstanding debt increased to RMB34.7 billion from RMB30.9 billion at end-2024, mainly due to the issuance of special purpose bonds to support local infrastructure and public projects. Its government debt ratio, as measured by total government debt to aggregate revenue, rose notably to 258.8% at end-2025.

Jintang's Fiscal Condition

(RMB billion)	2023	2024	2025
Budgetary revenue	4.5	5.1	5.4
Budgetary revenue growth rate (%)	10.1	14.2	6.6
Tax revenue	1.7	1.8	1.8
Tax revenue (% of budgetary revenue)	38.1	34.9	33.4
Government fund income	3.8	3.5	2.8
Transfer payment	5.0	6.4	5.2
Aggregate revenue	**13.3**	**15.0**	**13.4**
Budgetary expenditure	7.5	9.2	8.4
Budget balance[1](%)	-68.4	-79.6	-53.4
Government debt ratio (%)	208.5	205.9	258.8

*[1] Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%*
Source: Financial Bureau of Jintang and Lianhe Global's calculations

Company Profile

CDHXI was established in January 2018 with an initial registered capital of RMB100 million. After several capital injections, the company's paid-in capital increased to RMB1.20 billion at end-2025. Jintang SASAB, as the sole shareholder, is the controlling shareholder and the actual controller of CDHXI.

CDHXI is a core construction and operation entity responsible for project construction and management, residential construction and infrastructure construction and operation in Jintang, especially in Huaizhou Xincheng. Besides, it also engages in commodity sales, property leasing and other businesses. It achieved a revenue of RMB5.2 billion in 2025, with a gross margin of 8.2%.

Key Financial Data

(RMB million)	2023	2024	2025	2026.6
Total Assets	82,539	79,278	81,883	82,144
Equity	47,923	47,079	48,052	49,032
Debt	19,383	18,521	17,195	16,009
Debt / (Debt + Equity) (%)	28.8	28.2	26.4	24.6
Unrestricted cash/ST Debts (x)	0.1	0.1	0.2	0.1
Debt/EBITDA (x)	19.2	25.7	20.3	-
Revenue	4,976	5,471	5,211	2,252
Gross Margin (%)	7.4	7.5	8.2	10.7
Cash from sales or services/ Revenue (%)	108.1	117.4	87.4	81.2

Source: CDHXI and Lianhe Global's calculations

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