Chengdu Xinjin City Industry Development Group Co., Ltd.

Lianhe Ratings Global Limited ("Lianhe Global") has affirmed 'BBB' global scale Long-term Issuer Credit Rating of Chengdu Xinjin City Industry Development Group Co., Ltd. ("CXCID"); Issuer Rating Outlook Stable

Summary	
Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	30 October 2026

Summary

The Issuer Credit Rating reflects a high possibility that the People's Government of Xinjin District ("Xinjin government") would provide strong support to CXCID if needed, in light of its full ownership of CXCID, CXCID's strategic position as the major LIDC participating in infrastructure construction and state-owned asset operation in Xinjin District ("Xinjin") of Chengdu City, as well as the strong linkage between the Xinjin government and CXCID, including control of board of directors, management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe that the local government has a strong willingness to ensure CXCID's business and financial viability in order to safeguard its reputation and local financing activities.

Xinjin is one of the municipal districts under the jurisdiction of Chengdu, the capital city of Sichuan Province. Its GDP grew steadily by 6.5% to RMB57.0 billion in 2025. The budgetary revenue also increased by 3.2% to RMB4.1 billion in 2025.

The Stable Outlook reflects our expectation that CXCID's strategic importance would remain intact while the Xinjin government will continue to ensure CXCID's stable operation.

Rating Rationale

Government's Ownership and Supervision: CXCID is wholly owned by the Xinjin government through the State-owned Assets Supervision and Administration Bureau of Xinjin government ("Xinjin SASAB"). The Xinjin government has strong control and supervision over CXCID, including control of the board of directors, management supervision, decision on its strategic development and investment plan, supervision of its major funding decisions and daily operation, etc. In addition, the Xinjin government has an assessment mechanism over the company and it appoints auditors to supervise the operating performance and financials on a periodic basis.

Strategic Importance and Strategic Alignment: CXCID is still the largest and the major LIDC in Xinjin responsible for infrastructure construction, industrial park development, as well as resettlement housing construction, transportation operation and comprehensive development for Transit-Oriented Development projects with a commercial nature to promote the development of urban community in Xinjin. It is the designated developer of Tianfu Mushan Digital New City and Tianfu Intelligent Manufacturing Industrial Park, and undertakes the majority of infrastructure projects in the district. It mainly undertakes the management, investment, safeguard and increase of the value of state-owned assets with regional advantages. CXCID's strategic planning and development have been aligned with the local government's economic and social policies. It carries out the directions and policies of urban development by the Xinjin government to support local economic growth.

Ongoing Government Support: CXCID has received several capital injections since its establishment. The paid-in capital increased from the initial RMB3.0 million to RMB727.0 million at end-June 2025, mainly through cash injections from the Xinjin SASAB. In 2025,

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Applicable Criteria

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

the Xinjin SASAB injected a further RMB456.8 million in cash, of which RMB35.0 million was credited to paid-in capital and RMB421.8 million to capital reserve; no capital injection was received in the first six months of 2026. The company has also historically received physical assets, mineral exploration rights and state-owned equity transfers, while no asset injection was recorded in 2025 or in the first six months of 2026. In addition, CXCID has continued to receive financial subsidies from the local government, amounting to RMB779.0 million in 2023, RMB305.5 million in 2024, RMB182.9 million in 2025 and RMB32.4 million in the first six months of 2026. Given its role in infrastructure construction, industrial park development and transportation projects in the region, CXCID retains advantages in obtaining major projects. We believe CXCID is likely to receive government support in the future.

CXCID's Financial and Liquidity Position: CXCID's total assets increased to RMB93.5 billion at end-June 2026 from RMB87.5 billion at end-2024, as the company continued to participate in project development in Xinjin. The company mainly relied on borrowings to fund its asset expansion. Its total adjusted debt increased to RMB39.5 billion at end-June 2026 from RMB32.3 billion at end-2024 and RMB36.8 billion at end-2025. The company's financial leverage, as measured by debt/capitalization, increased to 49.3% from 44.9% over the same period. Asset liquidity remained weak. Inventories, other receivables and investment properties accounted for 36.2%, 22.3% and 19.3% of total assets, respectively, at end-June 2026. These assets typically take a long time to monetize.

The short-term debt servicing pressure of CXCID remained moderately tight. At end-June 2026, the company had a cash balance of RMB4.1 billion (including restricted cash of RMB0.7 billion), against debt due within one year of RMB8.8 billion. Debt repayment and operations continue to rely on new bank borrowings, onshore bond issuance and other non-bank financing, rather than undrawn committed lines.

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Xinjin

Xinjin is located in the south of Chengdu and is one of the districts of Chengdu. Xinjin has jurisdiction over 4 streets and 4 towns, with a total land area of 330 square kilometers. As the main area designated as the New Material Industrial Functional Zone, International Railway Hub and Modern Logistics Functional Zone, an industrial system dominated by food processing, rail transit and new materials has been formed in Xinjin to facilitate the economy development.

Xinjin's GDP amount increased to RMB57.0 billion in 2025, from RMB53.5 billion in 2024, and its economic growth rate increased to 6.5%, from 5.9% in 2024. The GDP per capita was RMB151,900 in 2025. After rebounding by 9.9% in 2024, Xinjin's fixed-asset investment

growth moderated to 4.7% in 2025. Industrial and manufacturing investment remained strong, rising by 76.6% and 45.3% respectively, while real-estate investment stayed weak.

Xinjin's Economic Condition (RMB billion)	2023	2024	2025
GDP	50.27	53.49	56.96
-Primary industry (%)	3.90	3.30	3.20
-Secondary industry (%)	42.30	42.00	40.80
-Tertiary industry (%)	53.80	54.70	56.10
GDP growth rate (%)	5.30	5.90	6.50
Fixed asset investment growth rate (%)	-10.96	9.90	4.70
Population (million)	0.38	0.38	0.33

Source: Statistical bureau of Xinjin and Lianhe Global's calculations

Fiscal Condition of Xinjin

The budgetary revenue of the Xinjin government increased to RMB4.1 billion in 2025 from RMB4.0 billion in 2024, with a year-over-year growth rate of 3.2%. The Xinjin government's fiscal self-sufficiency remained weak, although the budget deficit narrowed to 38.6% in 2025 from 54.8% in 2024, mainly as budgetary expenditure declined by 7.7% to RMB5.7 billion. Government fund income, mainly generated by land sales, remained under pressure owing to the protracted property market downturn.

The outstanding debt of the Xinjin government kept growing. At end-2025, the Xinjin government's outstanding debt increased to RMB16.4 billion from RMB12.4 billion at end-2024, mainly due to the issuance of special-purpose debts to support local public projects and debt swapping. As a result, its government debt ratio, as measured by the total government debt/aggregate revenue, increased to 172.0% at end-2025 from 125.5% at end-2024.

Xinjin's Fiscal Condition (RMB billion)	2023	2024	2025
Budgetary revenue	3.71	4.01	4.13
Budgetary revenue growth rate (%)	8.19	7.86	3.15
Tax revenue	2.01	2.05	2.07
Tax revenue (% of budgetary revenue)	53.98	51.10	50.17
Government fund income	5.06	3.20	3.19
Transfer payment	2.37	2.64	2.19
Aggregate revenue	11.14	9.85	9.51
Budgetary expenditure	5.86	6.20	5.73
Budget balance[1] (%)	-57.65	-54.82	-38.60
Government debt ratio (%)	80.52	125.49	171.96

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

Company Profile

CXCID was established in 2005 with an initial registered capital of RMB3 million in cash fully contributed by the People's Government of Huayuan Town, Xinjin County. The controlling shareholder of CXCID was transformed to Xinjin SASAB in 2007. The registered capital of CXCID was RMB3 billion. The paid-in capital was RMB727.0 million at end-June 2025 and increased by a further RMB35.0 million cash injection from the Xinjin SASAB in 2025. The company is wholly owned by the Xinjin government through the Xinjin SASAB.

CXCID is responsible for infrastructure construction and industrial park development, as well as resettlement housing construction, transportation operation and comprehensive development for TOD projects to promote the development of urban community in Xinjin.

The company generated revenues of RMB2.1 billion, RMB2.6 billion, RMB3.2 billion and RMB1.2 billion in 2023, 2024, 2025 and the first six months of 2026, respectively. Over the same period, its gross margin remained stable at 15.0%-21.8%.

Key Financial Data

(RMB million)	2023	2024	2025	2026.6
Total Assets	78,509	87,491	91,298	93,549
Equity	39,315	39,700	40,538	40,677
Debt	28,858	32,311	36,844	39,497
Debt / (Debt + Equity) (%)	42.3	44.9	47.6	49.3
Unrestricted cash/ST Debts (x)	0.2	0.2	0.2	0.4
Debt/EBITDA (x)	32.2	36.4	33.7	-
Revenue	2,056	2,590	3,236	1,216
Gross Margin (%)	15.0	20.6	20.3	21.8
Cash from sales or services/ Revenue (%)	120.1	145.1	90.7	80.0

Source: CXCID and Lianhe Global's calculations

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