Xichang Haihe Cultural Tourism Investment Development Co., Ltd.

Lianhe Ratings Global Limited ("Lianhe Global") has affirmed 'BBB-' global scale Long-term Issuer Credit Rating of Xichang Haihe Cultural Tourism Investment Development Co., Ltd. ("XHCTID"); Issuer Rating Outlook Stable

Summary	
Issuer Rating	BBB-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	10 November 2026

Summary

The Issuer Credit Rating reflects a high possibility that the People's Government of Xichang City, Liangshan Yi Autonomous Prefecture ("Xichang government") would provide strong support to XHCTID if needed, in light of its indirect full ownership of XHCTID, XHCTID's strategic importance as an important local investment and development company ("LIDC") responsible for state-owned asset operation and construction in Xichang City ("Xichang"), Liangshan Yi Autonomous Prefecture ("Liangshan"), and the linkage between the Xichang government and XHCTID, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, we believe that the Xichang government has a strong willingness to ensure XHCTID's business and financial viability in order to safeguard its reputation and local financing activities.

Xichang is a county-level city that lies in the center of Liangshan, Sichuan Province and is the capital of Liangshan. Its GDP grew by 6.5% year-over-year to RMB84.5 billion in 2025, while its budgetary revenue increased by 1.9% year-over-year to RMB7.1 billion during the same period.

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

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

Rating Rationale

Government's Ownership and Supervision: The Xichang government indirectly holds 100% ownership of XHCTID through the Xichang Finance Bureau ("Xichang FB") and Xichang Guosheng Industrial Development Co., Ltd. ("XGID"). The Xichang government has the final decision-making authority and supervision over the company, including senior management appointment, decision on its strategic development and supervision of its major investment and financing plan decisions. In addition, the Xichang government has assessment mechanism over the company and appoints auditors to supervise the operating performance and financials on a periodic basis.

Strategic Importance and Strategic Alignment: XHCTID is an important LIDC responsible for state-owned asset operation and construction in Xichang. The company is primarily engaged in tourism spot operations and maintenance, urban transportation services, building material sales, property leasing and management and other businesses in Xichang. XHCTID plays an important role in promoting the economic and social development of the region. Its business operation and strategic planning have been aligned with the government's development plans.

Ongoing Government Support: XHCTID continued to receive asset/capital injections and policy support from the Xichang government to support its business operations. The company received operational subsidies of RMB215 million in 2023, RMB13 million in 2024

and RMB11 million in 2025.We expect XHCTID to receive ongoing support from the Xichang government in future considering its strategic importance in Xichang.

XHCTID's Financial and Liquidity Position: XHCTID's total assets decreased slightly to RMB36.6 billion at end-June 2026 from RMB37.5 billion at end-2025. XHCTID's asset liquidity was weak, primarily due to the large proportion of intangible assets, investment properties and fixed assets, which together accounted for 47.1% of total assets at end-June 2026. The company's financial leverage, as measured by the debt to capitalization ratio, remained relatively stable at 48.6% at end-June 2026, compared with 48.9% at end-2025.

XHCTID's liquidity was moderately weak. At end-June 2026, XHCTID had unrestricted cash balance of RMB714 million, compared with its debt to be due within one year of RMB4.4 billion. It had unused credit facilities of RMB6.3 billion at end-June 2026. In addition, XHCTID has access to various channels of financing, including bank loans, bonds issuance and non-traditional financing channels, to support its debt repayments and business operations.

Rating Sensitivities

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

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

Operating Environment

Economic Condition of Xichang

Xichang's GDP grew by 6.5% year-over-year to RMB84.5 billion in 2025, compared with a growth of 6.1% in 2024. The tertiary industry remained the largest contributor, accounting for 56.5% of total economy in 2025, followed by the secondary industry at 34.9%. Fixed asset investment in Xichang contracted by 31.8% year-over-year in 2025, compared with a growth of 11.9% in 2024.

Xichang's Economic Condition (RMB billion)	**2023**	**2024**	**2025**
GDP	75.1	80.3	84.5
-Primary industry (%)	8.6	7.9	8.6
-Secondary industry (%)	43.4	37.1	34.9
-Tertiary industry (%)	48.0	55.0	56.5
GDP growth rate (%)	8.7	6.1	6.5
Fixed asset investment growth rate (%)	3.1	11.9	-31.8
Population (million)	1.0	1.0	1.0

Source: Financial Bureau of Xichang, Statistical Bureau of Xichang and Lianhe Global's calculations

Fiscal Condition of Xichang

The budgetary revenue of Xichang government increased slightly to RMB7.1 billion in 2025 from RMB7.0 billion in 2024, while the contribution of tax revenue to budgetary revenue was lowered to 50.5% from 52.3% over the same period. The fiscal self-sufficiency of the Xichang government was deteriorating, with the budget deficit widening to 51.1% in 2025 from 44.0% in 2024. The government-managed fund income remained broadly stable at RMB2.9 billion in 2025.

The outstanding debt of the Xichang government increased to RMB17.8 billion at end-2025 from RMB14.3 billion at end-2024. The government debt ratio, as measured by the total government debt to aggregate revenue ratio, was elevated to 124.8% at end-2025 from 100.7% at end-2024.

Xichang's Fiscal Condition

(RMB billion)	2023	2024	2025
Budgetary revenue	6.5	7.0	7.1
Budgetary revenue growth rate (%)	5.3	7.5	1.9
Tax revenue	3.9	3.7	3.6
Tax revenue (% of budgetary revenue)	60.4	52.3	50.5
Government fund income	3.9	2.9	2.9
Transfer payment	3.6	4.3	4.3
Aggregate revenue	**14.0**	**14.2**	**14.3**
Budgetary expenditure	8.9	10.1	10.8
Budget balance[1] (%)	-36.7	-44.0	-51.1
Government debt ratio (%)	86.6	100.7	124.8

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

Source: Financial Bureau of Xichang, Statistical Bureau of Xichang and Lianhe Global's calculations

Company Profile

XHCTID was established in August 2013 with an initial registered capital of RMB100.0 million, which is funded by Xichang State-owned Assets Operation and Management Co., Ltd. ("Xichang SAOM"). In September 2024, XHCTID's sole shareholder changed from Xichang SAOM to XGID. At end-June 2026, the company's registered capital and the paid-in capital were both RMB900 million. XHCTID is wholly owned by XGID and ultimately controlled by Xichang FB.

XHCTID is primarily engaged in tourism spot operations and maintenance, urban transportation services, building material sales, property leasing and management and other businesses in Xichang. The company recognized a revenue of RMB527 million in the first half of 2026, with a gross margin of 39.0%.

Key Financial Data

(RMB million)	2023	2024	2025	2026.6
Total Assets	32,784	35,710	37,511	36,569
Equity	16,899	17,368	17,564	17,661
Debt	14,139	15,243	16,794	16,672
Debt / (Debt + Equity) (%)	45.6	46.7	48.9	48.6
Unrestricted cash/ST Debts (x)	0.1	0.1	0.1	0.2
Debt/EBITDA (x)	18.4	26.4	23.2	-
Revenue	1,492	1,456	1,550	527
Gross Margin (%)	29.3	23.4	27.9	39.0
Cash from sales or services/ Revenue (%)	282.6	322.5	270.9	246.2

Source: XHCTID and Lianhe Global's calculations

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