



## **CCXAP assigns Changchun Urban Development & Investment Holdings (Group) Co., Ltd. long-term credit rating at A<sub>g</sub>+, with stable outlook**

---

Hong Kong, 23 August 2019 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) has assigned the long-term credit rating of Changchun Urban Development & Investment Holdings (Group) Co., Ltd. at A<sub>g</sub>+. The rating outlook is stable.

### **Rating Rationale**

The A<sub>g</sub>+ long-term credit rating of Changchun Urban Development & Investment Holdings (Group) Co., Ltd. (“CCDG” or the “Company”) is underpinned by the Company’s (1) proven track record of support from the Changchun government; (2) vital position in water supply & sewage treatment, infrastructure construction and indemnificatory apartment development of Changchun City; (3) increase in total operating revenue; and (4) relatively strong financing ability and smooth funding channels. However, the rating is constrained by the Company’s (1) capital expenditure pressure from a sizeable number of projects in the pipeline; (2) weak operating profit; and (3) weakened financial and liquidity profile.

### **Rating Outlook**

The stable outlook on CCDG’s rating reflects its strong position in public businesses of the Changchun area and the continuity of getting high level of support from the Changchun government. We expect the revenue of the Company will gradually improve with a relatively strong cash generating ability.

### **What could upgrade the rating?**

The rating could be upgraded if (1) the Company’s profitability improves; or (2) the Company improves its credit profile in debt leverage and credit metrics.

### **What could downgrade the rating?**

The rating could be downgraded if (1) there is less support from the Changchun government; (2) increasing capital expenditure exerts pressure on the Company’s credit profile; or (3) the Company’s liquidity position further weakens.

## **Rating Methodology**

CCXAP's public ratings are available at [www.ccxap.com](http://www.ccxap.com) (Rating Results) and may be distributed through media and other means. Methodology used in this rating is the Rating Methodology for China's Local Government Financing Vehicles dated June 2017, available at [www.ccxap.com](http://www.ccxap.com) (Rating Methodologies).

## **Contacts of Credit Ratings**

The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Jacky Lau

Credit Analyst -- Credit Ratings

[jacky\\_lau@ccxap.com](mailto:jacky_lau@ccxap.com)

Guo Zhang

Director -- Credit Ratings

[guo\\_zhang@ccxap.com](mailto:guo_zhang@ccxap.com)

Tel: +852-2860 7111

Copyright ©2019.China Chengxin (Asia Pacific) Credit Ratings Company Limited. All rights reserved.  
Disclaimer

Credit ratings assigned by China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") are based on CCXAP's rating principles of independence, fairness and objectivity. A credit rating reveals and ranks specific risks, but it does not cover all risks embedded in the rated entity or the rated debt issue.

Credit ratings are not recommendations for investors to buy, sell or hold debt securities, nor measurements of market value of the rated entities or the rated debt issues. While CCXAP has obtained information from sources it believes to be reliable, CCXAP does not perform an audit and undertakes no duty of due diligence or independent verification of information it receives from the rated entity.

CCXAP's public ratings are available at [www.ccxap.com](http://www.ccxap.com) (Rating Results) and may be distributed through media and other means. Methodology used in this rating is the Rating Methodology for China's Local Government Financing Vehicles dated June 2017, available at [www.ccxap.com](http://www.ccxap.com) (Rating Methodologies).

CCXAP has distributed and disclosed this solicited credit rating report to the rated entity prior to the publication date.

All information published in this document belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained in this document reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee the accuracy, adequacy, completeness or timeliness of any information included in this document. None of the information may be used, including without limitation reproducing, amending, sending, distributing, transferring, lending, translating, or adapting the information, for subsequent use without CCXAP's prior written permission.

CCXAP is not liable for any in whole or part caused by, resulting from or relating to any error (neglect or otherwise) or other circumstance or contingency within or outside the control of CCXAP's or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, interpretation, analysis, editing, transcription, publication, communication or delivery of any such information, or any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation lost profits), even if CCXAP, or representatives thereof, are advised of the possibility of such damage, losses or expenses.

**China Chengxin (Asia Pacific) Credit Ratings Company Limited**

Address: Suites 805-808, Jardine House, 1 Connaught Place, Hong Kong

Website: [www.ccxap.com](http://www.ccxap.com)

Email: [info@ccxap.com](mailto:info@ccxap.com)

Tel: +852-2860 7111

Fax: +852-2868 0656