

CCXAP assigns BBB_g+ to Chengdu Xisheng Investment Group Co., Ltd.'s proposed USD bonds

Hong Kong, 29 July 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of BBB_g+ to the proposed USD bonds to be issued by Chengdu Xisheng Investment Group Co., Ltd. (“CXIG” or the “Company”) (BBB_g+ / stable).

The bonds constitute direct, unconditional, unsubordinated, and unsecured obligations of CXIG, which shall at all times rank pari passu with all the Company’s other present and future unsecured and unsubordinated obligations. The Company intends to use the proceeds for refinancing its existing offshore indebtedness.

Corporate Profile

Founded in 2010, CXIG, formerly known as Pi County Xingcheng Investment Co., Ltd., is the most important local infrastructure investment and financing company (“LIIFC”) in Pidu District, with the largest asset size among other local state-owned enterprises. The Company is primarily responsible for infrastructure construction, resettlement housing construction, and shantytown renovation in Pidu District. Apart from public development projects, the Company also derives revenue from businesses such as engineering construction, property sales, material and agricultural product trading, property leasing and management. As of 31 December 2024, the Company was wholly owned and ultimately controlled by Chengdu Pidu District State-owned Assets Supervision and Administration and Financial Bureau (“Pidu SASAFB”).

Rating Rationale

CXIG’s senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its important position in the infrastructure construction in Pidu District, thereby mitigating any differences in an expected loss that could result from structural subordination.

The BBB_g+ long-term credit rating reflects (1) Pidu District Government’s strong capacity to provide support; and (2) the local government’s extremely high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of the Pidu District Government’s capacity to provide support reflects Pidu District’s vital position in Chengdu City, given its good industrial resources, as well as increasing economic and fiscal strength.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) important role as the most important infrastructure construction entity in Pidu District; (2) high sustainability for public policy projects; and (3) solid track record of receiving government payments. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities; (2) increasing debt leverage; and (3) weak asset liquidity.

Rating Outlook

The stable outlook on CXIG's rating reflects our expectation that the local government's capacity to support the Company will remain stable, and the Company will maintain its dominant position in the infrastructure construction in Pidū District.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; and (2) changes in company's characteristics enhance the local government's willingness to provide support, such as decreased exposure to commercial activities and improved asset liquidity.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) changes in company characteristics decrease the local government's willingness to provide support, such as reduced regional significance and deteriorated funding capability.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

Regulatory Disclosures

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http://www.ccxap.com/en/rating_services/category/6/

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