

CCXAP assigns first-time long-term credit rating of BBB_g+ to Chengdu Xindu Investment Group Co., Ltd., with stable outlook.

Hong Kong, 26 September 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned first-time long-term credit rating of BBB_g+ to Chengdu Xindu Investment Group Co., Ltd. (“Xindu Investment” or the “Company”), with stable outlook.

The BBB_g+ long-term credit rating of Xindu Investment reflects Xindu District Government’s (1) strong capacity to provide support, and (2) extremely high willingness to support the Company based on our assessment of the Company’s characteristics.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) important role as a modern city-integrated operator in Xindu District, covering cultural tourism development, smart city solutions, talent supply chain development, and environmental infrastructure construction; (2) reasonable debt leverage; and (3) track record of receiving government support in asset and equity transfer etc. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities; (2) certain short-term debt repayment pressure; and (3) weak asset liquidity.

Corporate Profile

Xindu Investment was formed through the consolidation and transfer of district-owned state assets in 2023, with a clear position of “New-Era City Operator” in Xindu District. The Company is primarily responsible for infrastructure construction and urban operation service in Xindu District. Apart from public projects and services, the Company also derives revenue from commercial businesses, such as rural revitalization, tourism business, and asset leasing. As of 30 June 2025, Xindu Investment was wholly owned and controlled by the State-owned Assets Supervision and Administration Commission and Finance Bureau of Chengdu City Xindu District (“Xindu SASAC”).

Rating Rationale

Credit Strengths

Important role as a modern city-integrated operator in Xindu District. The Company is one of the only two Local Infrastructure Investment and Financing Companies (“LIIFCs”) wholly and directly owned by the Xindu SASAC. Xindu Investment has an important role as a modern city-integrated operator, primarily undertaking the investment and development of cultural and tourism projects, the operation and maintenance of smart city initiatives, talent market services for skilled professionals, urban infrastructure construction, and environmental maintenance. Considering the Company’s high strategic significance to the development of Xindu District, we believe the Company will not be easily replaced by other local state-owned enterprises in the foreseeable future.

Reasonable debt leverage. Although Xindu Investment’s total debt had increased rapidly from RMB3.7 billion at end-2022 to RMB7.9 billion at mid-2025 due to ongoing financing for its

construction projects in recent years, its total capitalization decreased from 46.7% to 27.9% during the same period, thanks to the increasing equity due to the government asset transfers. Given the Company's relatively large capital expenditure pressure from both public projects and commercial activities, we expect the Company's debt leverage to increase but remain at a reasonable level with government support for the next 12-18 months.

Track record of receiving government support. Xindu Investment has a track record of receiving support from the Xindu District Government. The Company has received government subsidies, assets, and equity transfer since its foundation. Considering Xindu Investment's important strategic role and the government's ownership in the Company, we expect that extraordinary government support would be extended if needed.

Credit Challenges

Medium exposure to commercial activities. In addition to public activities, Xindu Investment is also involved in various commercial activities, such as self-operated project construction, tourism business, and asset leasing business. We consider Xindu Investment's commercial business exposure to be medium, as the proportion of commercial business assets accounted for around 20% of its total assets.

Certain short-term debt repayment pressure. The Company faces certain short-term debt repayment pressure, with the short-term debt accounting for 42.5% of its total debt and cash-to-short-term debt ratio of 0.6x as of 30 June 2025.

Weak asset liquidity. The Company's total asset mainly consists of receivables, inventories, and intangible assets, which accounted for 78.3% of its total assets as of 30 June 2025. The Company's receivables, inventories, and intangible assets are considered to have low liquidity.

Rating Outlook

The stable outlook on Xindu Investment's rating reflects our expectation that the local government's capacity to support the Company will remain stable, and the Company will maintain its position as a modern city-integrated operator in Xindu District for the next 12 to 18 months.

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 characteristics enhance the local government's willingness to provide support, such as improved debt management.

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 higher commercial business risk and reduced government payments.



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

CCXAP's Rating Symbols and Definitions are available on its website at:

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

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

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.

Jonathan Kwong

Senior Credit Analyst

+852-2860 7133

jonathan_kwong@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



Copyright © 2025 China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP"). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP's publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP's publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656