

CCXAP affirms Hunan Xiangjiang New Area Development Group Co., Ltd.'s long-term credit rating at A_g, with stable outlook.

Hong Kong, 29 December 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Hunan Xiangjiang New Area Development Group Co., Ltd. (“XNDG” or the “Company”) at A_g, with stable outlook.

The A_g long-term credit rating of XNDG reflects Changsha Municipal Government’s (1) very strong capacity to provide support; and (2) high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Changsha Municipal Government’s capacity to provide support reflects the Changsha City’s status as a provincial capital, with good economic fundamentals. As a national-level new area located in Changsha City, Xiangjiang New Area was officially recognized as the 12th National New Area in China, the first one in Central China, and the sole National New Area in Hunan Province.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) key strategic role in the development of Xiangjiang New Area; (2) good track record of receiving government support; and (3) diversified financing channels. However, the rating is constrained by the Company’s (1) high exposure to commercial activities; (2) high debt leverage with certain short-term debt repayment pressure; and (3) moderate asset liquidity.

Corporate Profile

Established in 2016, XNDG has played an important role in the development of the Xiangjiang New Area in Changsha City. The Company is mainly engaged in primary land development and infrastructure construction in Xiangjiang New Area. It has also participated in other commercial activities such as property management, distressed asset management and supply chain services. On 29 September 2025, the State-owned Assets Supervision and Administration Commission of Changsha Municipal Government (“Changsha SASAC”) approved an increase of RMB14.0 billion in the Company’s registered capital, raising it to RMB50.0 billion. As of 30 September 2025, XNDG was 92.8% directly owned by the Changsha SASAC, its ultimate controlling shareholder, and 7.2% owned by Hunan State-owned Investment Operation Co., Ltd.

Rating Rationale

Credit Strengths

Key strategic role in the development of Xiangjiang New Area. The Company maintains its important role in land development and infrastructure construction in Meixi Lake area, Dawangshan area, and Dakecheng area within the Xiangjiang New Area. It has played a key role in various aspects of the development of the Xiangjiang New Area, including primary land development, housing resettlement, and infrastructure projects.

Good track record of receiving government support. XNDG has regularly received support from the local government in the form of operating subsidies and capital injection. The Company

has received ongoing capital injection, significantly enhancing its capital strength. Given its strategic position in the development of Xiangjiang New Area, we believe that the local government will continue to provide support to the Company.

Diversified financing channels. XNDG has good access to funding from banks and bond markets. The Company has sufficient approved line of credit from diversified banks. The Company also has access to onshore and offshore bond markets.

Credit Challenges

High exposure to commercial activities. XNDG is also engaged in commercial businesses, mainly including property development, financial services businesses, and supply chain services. We consider the Company's exposure to commercial businesses to be high, accounting for more than 30% of its total assets. In addition, the property development business brings certain capital expenditure pressure to the Company, and the asset management business is subject to market risks.

High debt leverage with certain short-term debt repayment pressure. XNDG's debt burden continues to show an increasing trend, due to the ongoing financing for the construction projects. The Company's total debt had increased from RMB52.3 billion at end-2023 to RMB74.3 billion at end-2025Q3, with total capitalization ratio of 62.3%. Meanwhile, the Company has certain short-term debt repayment pressure. As of 30 September 2025, its short-term debt accounted for about 19.1% of total debt.

Moderate asset liquidity. As of 30 September 2025, the Company's total assets mainly consisted of inventories and investment properties, accounting for 59.2% of its total assets. Inventories are mainly investment costs for land development and infrastructure construction projects, while investment properties are rental properties such as the resort service center, both with low liquidity.

Rating Outlook

The stable outlook on XNDG's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its important strategic position in the development of Xiangjiang New Area over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's ability to provide support strengthens; and (2) the Company's characteristics change in a way that strengthens local government's willingness to provide support, such as reduction in the exposure to commercial activities.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's ability to provide support weakens; or (2) the Company's characteristics change in a way that decreases the local government's

willingness to provide support, such as reduced regional significance or weakened access to funding.

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.

Peter Chong
Associate Director of Credit Ratings
+852-2860 7124
peter_chong@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