
CCXAP affirms Chengdu Longke Urban and Rural Development Group Co., Ltd.'s long-term credit rating at BBB_g, with stable outlook.

Hong Kong, 12 June 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Chengdu Longke Urban and Rural Development Group Co., Ltd. (“LURD” or the “Company”) at BBB_g, with stable outlook.

The BBB_g long-term credit rating of the Company reflects Chengdu Wenjiang District Government’s (1) strong capacity to provide support, and (2) relatively high willingness to provide support to the Company, based on our assessment of the Company’s characteristics. Our assessment of Wenjiang District Government’s capacity to provide support reflects that Wenjiang District’s gross regional product maintains a moderate level in Chengdu City, with relatively good fiscal self-sufficiency.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) ultimate control by Wenjiang District Government; (2) important position of infrastructure construction in the northern area of Wenjiang District; and (3) solid track record of receiving government payments. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities; and (2) relatively high debt growth driven by a large number of construction projects.

Corporate Profile

Founded in 2014, formerly known as Chengdu Sanlian Property Management Co., Ltd., LURD is an important infrastructure construction entity in Wenjiang District. The Company is primarily responsible for infrastructure construction and demolition in the north of Wenjiang District. Apart from its main business, the Company is also engaged in other commercial businesses, such as labor services, self-operating projects, leasing, material and plant trading, and greening. Following the restructuring and integration of the state-owned enterprises in Wenjiang District, the Company has become a subsidiary of Chengdu Wenjiang Xingrong City Operation Group Co., Ltd. (“WXCO”). As of 31 December 2025, WXCO held 80% of the equity shares and Chengdu Longke Heyue Industrial Group Co., Ltd. (“CLHI”) held 20% of the equity shares. The Company is ultimately controlled by the State-Owned Assets Supervision and Administration Bureau of Chengdu City Wenjiang District (“Wenjiang District SASAB”).

Rating Rationale

Credit Strengths

Important position of infrastructure construction in the northern area of Wenjiang District. The Company maintains a clear position and is committed to promoting the rural revitalization and integrated development of urban and rural areas in Wenjiang District. The Company is mainly engaged in the construction of infrastructure, seedling bases, agricultural parks and other projects in the northern area of Wenjiang District, as well as demolition in the northern and southern areas of Wenjiang District. The divestiture of equity in CLHI mainly resulted in reduction of commercial activities, such as labor services and leasing.

Undertaking local infrastructure construction and demolition projects. LURD is mandated by the local government to undertake local infrastructure construction projects, such as road upgrading projects and land consolidation. In addition, LURD has been entrusted by the government to undertake demolition projects in the northern and southern areas of Wenjiang District since 2018.

Solid track record of receiving government payments. LURD has a proven track record of receiving ongoing government support from Wenjiang SASAB, including government subsidies, capital injections, and equity transfers. Overall, given its important position and contribution to regional economic development, we believe that LURD will receive ongoing government support to support its business operations.

Access to multiple financing channels. The Company's large investment needs could be partly supported by its financing channels, mainly through bank borrowings and bond issuance. In addition, the Company is less dependent on non-standard financing, such as financial leasing and trust financing.

Credit Challenges

Medium exposure to commercial activities. In addition to public welfare activities, LURD is also involved in other commercial activities such as self-operating projects, leasing, material and plant trading, entrusted loans, and greening. We consider LURD's commercial business exposure to be medium, as its market-driven businesses account for 20% to 30% of its total assets.

Relatively high debt growth driven by a large number of construction projects. LURD has a relatively high debt growth. The total debt maintained around RMB31.6 billion from 2024 to 2025. However, the total capitalization ratio increased from 36.3% in 2024 to 38.1% in 2025, due to the decreased of equity, which was mainly affected by the transfer of equities of major subsidiary out of the Company.

Rating Outlook

The stable outlook on LURD's rating reflects our expectation that for the next 12 to 18 months, the local government's capacity to support the Company will remain stable, and the Company will maintain its strategic role as an important rural revitalization infrastructure construction entity in Wenjiang District.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; or (2) changes in the Company's characteristics enhance the local government's willingness to support, such as decreasing exposure to commercial activities or improving debt management.

What could downgrade the rating?



The rating could be downgraded if (1) the local government's capacity to support weakens; or (2) changes in the Company characteristics weaken the local government's willingness to support, such as reducing strategic significance or weakening access to financing channels.

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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