CCXAP assigns BBB_g+ to Chengdu Wenjiang Xingrongxi City Operation Group Co., Ltd.'s proposed CNY bonds

Hong Kong, 18 September 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned senior unsecured debt rating of BBB_g+ to the proposed CNY bonds to be issued by Chengdu Wenjiang Xingrongxi City Operation Group Co., Ltd. ("WXCO" or the "Company") (BBB_g+/Stable).

The bonds constitute direct, general, unconditional, and unsecured obligations of WXCO, which shall at all times rank pari passu with all the Company's other present and future unsecured obligations. The Company intends to use the proceeds primarily for repayment of existing offshore indebtedness.

Corporate Profile

Founded in 2016, WXCO is a major local infrastructure investment and financing company in charge of most major infrastructure and resettlement housing projects in Wenjiang District of Chengdu City. The Company has a diverse business portfolio and primarily engages in agency construction business. In addition, the Company generates operating income from other businesses such as self-operated project construction, leasing and asset management, and real estate sales. In December 2023, two state-owned enterprises, Chengdu Jincheng Guanghua Investment Group Co., Ltd. (responsible for the operation of transportation assets and other urban infrastructure construction business in Wenjiang District) and Chengdu Jintaihe Investment Co., Ltd. (responsible for relocation and resettlement of housing projects, construction and maintenance of roads and infrastructure in Wenjiang District) were transferred to the Company. In 2025, 80% of equity interest in Chengdu Longke Urban and Rural Development Group Co., Ltd. was transferred to the Company as part of the restructuring of local state-owned enterprises under government planning.

In December 2025, Wenjiang District State-owned Assets Supervision and Administration Bureau ("Wenjiang SASAB") transferred its 100% shareholding in WXCO to Chengdu Wenjiang Development Holding Group Co., Ltd. As of 31 March 2026, the ultimate controller was Wenjiang SASAB.

Rating Rationale

The rating of the senior unsecured bonds is equal to WXCO's long-term credit rating. We believe that government support will flow through the Company given its strategic role in undertaking public policy projects in Wenjiang District, thereby mitigating any differences in an expected loss that could result from structural subordination.

The BBB_g+ long-term credit rating of WXCO reflects Wenjiang District Government's very strong capacity and very high willingness to provide support based on our assessment of the Company's characteristics. Our assessment of the local government's capacity to provide support reflects 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) strong position in the infrastructure construction and city operation in Wenjiang District; (2) solid track record of receiving government payments; and (3) good access to funding channels. However, the rating is constrained by the Company's (1) medium exposure to commercial activities, associated with large capital pressure; (2) increasing debt burden and moderate asset liquidity; and (3) medium contingent risks resulting from external guarantee.

Rating Outlook

The stable outlook on WXCO's rating reflects our expectation that the local government's capacity to support the Company will remain stable, and the Company will maintain its strategic role as the key infrastructure construction entity in Chengdu 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 external guarantees or improving assets liquidity.

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's 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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