CCXAP affirms Chengdu Xinjin City Industry Development Group Company Ltd.'s long-term credit rating at BBB_g, with stable outlook.

Hong Kong, 4 November 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has affirmed the long-term credit rating of Chengdu Xinjin City Industry Development Group Company Ltd. ("XCID" or the "Company") at BBB_g, with stable outlook.

The BBB_g long-term credit rating of XCID reflects Chengdu Xinjin District Government's strong capacity and very high willingness to provide support to the Company, based on our assessment of the Company's characteristics. Our assessment of Xinjin District Government's capacity to provide support reflects Xinjin District's status as one of the most advanced districts in rural revitalization strategy in Sichuan Province, with ongoing economic growth.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) important strategic position in the development of Xinjin District; (2) high sustainability for infrastructure projects; and (3) solid track record of receiving government support. However, the rating is constrained by the Company's (1) medium exposure to commercial activities; (2) ongoing debt growth and certain short-term debt repayment pressure; and (3) weak asset liquidity.

Corporate Profile

Founded in 2005, XCID is the largest state-owned infrastructure construction and assets operation entity in Xinjin District. XCID is primarily responsible for infrastructure construction, public transport operation, construction of resettlement housing, construction of industrial parks and other self-operating projects. Apart from its main business, the Company is also engaged in other commercial businesses, such as gravel sales, parking lot operation, and construction quality testing. As of 30 June 2026, the Company was directly and wholly owned by the Chengdu Xinjin District State-owned Assets Supervision and Administration Bureau ("Xinjin District SASAB").

Rating Rationale

Credit Strengths

Important strategic position in the development of Xinjin District. XCID is the largest infrastructure construction and assets operation entity in Xinjin District by total assets. The Company has a clear position in the new planning layout of Xinjin District. The Company undertakes local public activities such as the construction of local infrastructure and resettlement housing projects. In line with the development plan of the Xinjin District Government, XCID is transforming its business focus from infrastructure construction to industrial and urban development.

High sustainability for infrastructure projects. XCID undertakes a large number of key public policy projects in Xinjin District, which mainly consist of major infrastructure construction, and resettlement housing projects. We believe these projects are closely in line with the local

development plan. The Company has demonstrated strong business sustainability through its sufficient public project reserves.

Solid track record of receiving government support. XCID has a proven track record of receiving ongoing government support from Xinjin District Government, including government subsidies, capital injections, and equity transfers. From 2023 to 2026H1, the Company received government subsidies of RMB664.6 million. In 2025, Xinjin SASAB injected paid-in capital of RMB35.0 million and capital reserves of RMB421.8 million into the Company.

Good access to funding from banks. Bank borrowing is the main external financing channel of the Company, accounting for around 76.0% of its total debt at mid-2026. Its available credit facilities also increased from RMB7.3 billion as of 30 September 2024 to RMB8.2 billion as of 31 March 2026. The sufficient credit facility provides good standby liquidity cushion to the Company.

Credit Challenges

Medium exposure to commercial activities. In addition to public welfare activities, XCID is also involved in other commercial activities such as gravel sales, parking, self-operated projects, and construction quality testing businesses. We consider XCID's commercial business exposure to be medium as its market-driven businesses account for 25% to 30% of its total assets.

Ongoing debt growth and certain short-term debt repayment pressure. XCID has had high debt growth due to its debt-driven business expansion over the past few years. The Company's total debt increased from RMB32.1 billion at end-2024 to RMB38.2 billion at mid-2026, while its total capitalization ratio increased from 44.8% to 48.4% over the same period. As of 30 June 2026, the short-term debt accounted for 22.9% of total debt, and its cash to short-term debt ratio was 0.5x.

Weak asset liquidity. As of 30 June 2026, XCID's total assets mainly consisted of inventories, investment properties, and total receivables, accounting for 84.4% of its total assets. Inventories are mainly undeveloped land, investment properties are mainly land use rights, and receivables are mainly unreceived payments from the agencies of government or other state-owned companies, all of which are considered low liquidity.

Rating Outlook

The stable outlook on XCID'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 investment and operating entity in Xinjin District over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; or (2) changes in company's characteristics enhance local government's willingness to support, such as strengthening financing channels 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 company's characteristics weaken the local government's willingness to support, such as reducing strategic significance or increasing exposure to commercial activities.

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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