

Lianhe Global has upgraded the global scale Long-term Issuer Credit Rating of Chengdu Airport Xingcheng Investment Group Co., Ltd. to ‘BBB+’ from ‘BBB’; Issuer Rating Outlook Stable

HONG KONG, 29 June 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Chengdu Airport Xingcheng Investment Group Co., Ltd. (“CAXIG”) to ‘BBB+’ from ‘BBB’. The Outlook is Stable.

Key Rating Rationales

The Issuer Rating upgrade reflects the increased strategic importance of CAXIG in the development of Shuangliu district, as demonstrated in the execution and construction of various key infrastructure projects including JV project with Airbus and advanced manufacturing industrial park, a high possibility that the Shuangliu District People’s Government of Chengdu (“Shuangliu government”) would provide strong support to CAXIG if needed, in light of its majority ownership of CAXIG, CAXIG’s strategic position as one of the most important local investment and development companies in Shuangliu District of Chengdu City and the strong linkage between the Shuangliu government and CAXIG including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Shuangliu government may face significant negative impact on its reputation and financing activities should CAXIG encounter any operational or financial difficulties.

The Stable Outlook reflects our expectation that CAXIG’s increased strategic importance would remain intact while the Shuangliu government will continue to ensure CAXIG’s stable operation.

Rating Sensitivities

We would consider downgrading CAXIG’s rating if (1) there is perceived weakening in support from the Shuangliu government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Shuangliu government’s ownership of CAXIG, or (3) there is a downgrade in our internal credit assessment on the Shuangliu government.

We would consider upgrading CAXIG’s rating if (1) there is strengthened support from the Shuangliu government, or (2) there is an upgrade in our internal credit assessment on the Shuangliu government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development

companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this CAXIG's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

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