

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

HONG KONG, 7 February 2024 – 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 ‘A-’ from ‘BBB+’. The Outlook is revised to Positive from Stable.

**Key Rating Rationales**

The Issuer Credit Rating upgrade reflects the increased strategic importance of CAXIG in the development of the Shuangliu District (“Shuangliu”), Chengdu City (“Chengdu”), as demonstrated in the establishment of a joint venture company with two local investment and development companies (“LIDC”) of Jianyang City (“Jianyang”) for joint development of Shuangliu and Jianyang in Chengdu, which undertakes major construction projects in both Shuangliu and Jianyang. Moreover, CAXIG is undertaking projects under the guidance of the Chengdu Municipal People’s Government (“Chengdu government”). It is aligned with the development plans of the Shuangliu District People’s Government of Chengdu (“Shuangliu government”) and strengthens CAXIG’s role in supporting the local economic and urban development in the region.

We believe there is a high possibility that the Shuangliu government would provide very strong support to CAXIG if needed. This mainly considers the Shuangliu government’s majority ownership of CAXIG, CAXIG’s strategic importance as the flagship LIDC for investment and financing for infrastructure construction in Shuangliu, 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 Positive Outlook reflects our expectation that CAXIG’s importance would be strengthened given its strategic development role in involving in projects under the guidance of the Chengdu government and receiving support from both Chengdu and Shuangliu governments, 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 an upgrade in our internal credit assessment on the Shuangliu government, and/or (2) there is strengthened support from the Chengdu 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](http://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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