

## **Lianhe Global has assigned ‘A-’ global scale Long-term Issuance Credit Rating to Chengdu Aerotropolis City Development Group Co., Ltd.'s CNY bonds**

HONG KONG, 19 July 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuance Credit Rating to the CNY2,205 million, 4.0% senior unsecured bonds due 2027 (“the Bonds”) issued by Chengdu Aerotropolis City Development Group Co., Ltd. (“ACDG”; ‘A-/Stable’).

ACDG intends to use the net proceeds from this offering for refinancing offshore indebtedness.

### **Key Rating Rationales**

The Bonds are rated at the same level as ACDG’s global scale Long-term Issuer Credit Rating of ‘A-’ as the Bonds will constitute direct, unsubordinated, unconditional and unsecured obligations of ACDG. The payment obligations of ACDG under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Shuangliu District, Chengdu City (“Shuangliu government”) would provide very strong support to ACDG if needed, in light of its majority ownership of ACDG, ACDG’s strategic importance as the sole local investment and development company (“LIDC”) that is responsible for transportation infrastructure construction in Shuangliu District, Chengdu City (“Shuangliu”) (“Chengdu”), construction development and industrial investment in the Chengdu International Airport Business District (“Airport BD”), and the linkage between the Shuangliu government and ACDG, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Shuangliu government may face significant negative impact on its reputation and financing activities if ACDG encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

Any rating action on ACDG’s rating would result in a similar rating action on the Bonds.

We would consider downgrading ACDG’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 ACDG, or (3) there is a downgrade in our internal credit assessment on the Shuangliu government.

We would consider upgrading ACDG's rating if 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 ACDG'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.

### **Contact Information**

Primary Analyst  
Karis Fan, CESGA  
Analyst  
(852) 3462 9579  
[karis.fan@lhratingsglobal.com](mailto:karis.fan@lhratingsglobal.com)

Secondary Analyst  
Joyce Huang, CFA  
Managing Director  
(852) 3462 9586  
[joyce.huang@lhratingsglobal.com](mailto:joyce.huang@lhratingsglobal.com)

Committee Chairperson  
Toni Ho, CFA, FRM  
Senior Director  
(852) 3462 9578  
[toni.ho@lhratingsglobal.com](mailto:toni.ho@lhratingsglobal.com)

Media Contact  
Alice Wang  
(852) 3462 9568  
[alice.wang@lhratingsglobal.com](mailto:alice.wang@lhratingsglobal.com)

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