



## **CCXAP assigns first-time BBB<sub>g</sub>- to HNA Group (International) Company Limited, outlook stable**

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Hong Kong, 15 November 2017 -- China Chengxin (Asia Pacific) Credit Ratings (“CCXAP”) has assigned a first-time long-term credit rating of BBB<sub>g</sub>- to HNA Group (International) Company Limited. The rating outlook is stable.

### **Rating Rationale**

The BBB<sub>g</sub>- rating of HNA Group (International) Company Limited (“HNA International” or the “Company”) is underpinned by (1) strong shareholder support provided by HNA Group Company Limited (“HNA Group” or the “Group”); (2) the Company’s investment decisions in line with HNA Group’s principle businesses; (3) leading market position in its serviced regions of trailer leasing; (4) good geographical and business diversification of investments. However, the rating is also constrained by (1) uncertainties and risks in equity investments which require high level of capital operation and risk management; and (2) the Company’s large transactions with connected parties of HNA Group.

### **Rating Outlook**

The stable outlook on HNA International’s rating reflects its good performance as an investment holding company. We believe that the Company would remain competitive in the future.

### **What could upgrade the rating?**

The rating could be upgraded if (1) core leasing business achieves leading position in the existing and new markets; (2) the Company receives stable dividends from its equity investment; and (3) the Company reduces its debt leverage.

### **What could downgrade the rating?**

The rating could be downgraded if (1) the Company’s revenue slumps and profitability deteriorates; (2) equity investment incurs significant losses; or (3) the Company’s liquidity buffer squeezes.

### **Rating Methodology**

CCXAP’s public ratings are available at [www.ccxap.com](http://www.ccxap.com) (Rating Results>Corporate Ratings) and may be distributed through media and other means. The methodology used in this rating is Rating

Methodology of Investment Holding Companies dated December 2016 available at [www.ccxap.com](http://www.ccxap.com) (Rating Process > Rating Methodology).

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