

## **CCXAP assigns A<sub>g</sub>- to Chengdu Airport Xingcheng Investment Group Co., Ltd.'s proposed USD social bonds**

Hong Kong, 11 March 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of A<sub>g</sub>- to the proposed USD [social] bonds to be issued by Chengdu Airport Xingcheng Investment Group Co., Ltd. (“CAXI” or the “Company”) (A<sub>g</sub>-/Positive).

The bonds constitute direct, unconditional, unsubordinated, and unsecured obligations of CAXI, which shall at all times rank pari passu with all the Company’s other present and future unsecured and unsubordinated obligations. The Company intends to use the proceeds according to the Social Finance Framework for refinancing medium- and long-term offshore debt due within a year.

### **Corporate Profile**

Founded in 2005, CAXI is the largest local infrastructure investment and financing company (“LIIFC”) in Shuangliu District. The Company is primarily responsible for infrastructure construction in Shuangliu District. In addition to public business, the Company also undertakes commercial activities such as building materials sales business, engineering construction, equity investment, and the construction of self-operating projects.

As of 30 September 2024, Chengdu Shuangliu District State-owned Assets Supervision, Administration and Financial Bureau (“Shuangliu SASAFB”), and Sichuan Provincial Finance Department held 90% and 10% of CACD’s shares, respectively. The Company is ultimately controlled by Shuangliu SASAFB.

### **Rating Rationale**

CAXI’s senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its important role in infrastructure construction in Shuangliu District, thereby mitigating any differences in an expected loss that could result from structural subordination.

The A<sub>g</sub>- long-term credit rating of CAXI reflects Shuangliu District Government’s very strong capacity to provide support, and the local government’s extremely high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Shuangliu District Government’s capacity to support reflects its vital position in Chengdu City, given its good economic fundamentals and fiscal strength.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) largest entity responsible for infrastructure construction in Shuangliu District; (2) solid track record of receiving ongoing government payments; and (3) stable funding from banks and capital market. However, the rating is constrained by the Company’s (1) medium exposure to commercial activities, with investment risk in equity investment; (2) increasing debt leverage with certain short-term repayment pressure; and (3) moderate asset liquidity.

## Rating Outlook

The positive outlook on CAXI's rating reflects our expectation that the local government's capacity to provide support will continue to strengthen, along with Shuangliu District's growing regional economic strength and participated in major municipal projects in Chengdu City, and the Company will maintain its status as the largest infrastructure construction entity in Shuangliu District.

### What could upgrade the rating?

The rating could be upgraded if (1) the local government's ability to support strengthens; and (2) changes in the Company's characteristics enhance local government's willingness to support, such as reduced exposure to commercial activities.

### What could downgrade the rating?

The rating could be downgraded if (1) the local government's ability to support weakens; or (2) changes in the Company characteristics decrease the local government's willingness to support, such as reduced strategic significance.

## 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

CCXAP's Rating Symbols and Definitions are available on its website at:

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