

Credit Opinion

8 August 2025

Ratings	
Senior Unsecured Debt Rating	Ag-
Long-Term Credit Rating	Ag-
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

Analyst Contacts

Jonathan Kwong +852-2860 7133

Senior Credit Analyst

jonathan_kwong@ccxap.com

Jacob Hu +852-2860 7132

Assistant Credit Analyst

jacob_hu@ccxap.com

Elle Hu +852-2860 7120

Executive Director of Credit Ratings

elle_hu@ccxap.com

**The first name above is the lead analyst for this rating and the last name above is the person primarily responsible for approving this rating.*

Client Services

Hong Kong +852-2860 7111

Chengdu Aerotropolis City Development Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Chengdu Aerotropolis City Development Group Co., Ltd.'s long-term credit rating at Ag-, with stable outlook.

Summary

The Ag- long-term credit rating of Chengdu Aerotropolis City Development Group Co., Ltd. ("CACD" or the "Company") reflects Shuangliu District Government's very strong capacity and extremely high willingness to provide support to the Company, 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) monopolistic position in the transportation infrastructure construction in Shuangliu District, and as the sole construction, development, and industrial investment entity in Chengdu International Airport Business District; (2) solid track record of receiving government support; (3) sufficient project reserves with good sustainability in public activities; and (4) access to multiple financing channels.

However, the Company's rating is constrained by the Company's (1) high debt growth driven by a large number of construction projects; (2) weak asset liquidity; (3) medium exposure to commercial activities.

The stable outlook on CACD's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its important position as the sole entity of transportation infrastructure construction in Shuangliu District.

Rating Drivers

- Monopolistic position in transportation infrastructure construction in Shuangliu District
- Sufficient project reserves with good sustainability in public activities
- Solid track record of receiving government support
- High debt growth driven by a large number of construction projects
- Weak asset liquidity
- Access to multiple financing channels
- Medium exposure to commercial activities

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the local government's ability to support strengthens; and (2) changes in company's characteristics enhance the local government's willingness to support, such as improved debt management.

What could downgrade the rating?

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

Key Indicators

	2022FY	2023FY	2024FY	2025Q1
Total Asset (RMB billion)	68.2	78.3	90.4	95.8
Total Equity (RMB billion)	29.0	29.7	31.7	32.6
Total Revenue (RMB billion)	2.4	3.2	4.1	1.0
Total Debt/Total Capital (%)	55.5	59.0	62.4	62.9

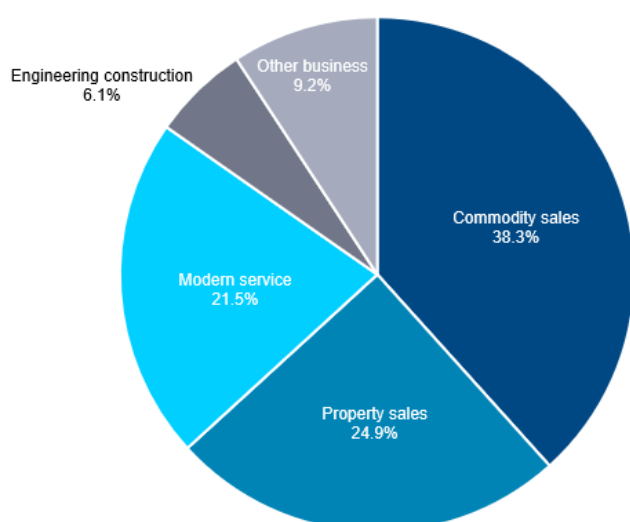
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company information; CCXAP research

Corporate Profile

Founded in 2008, CACD was formerly known as Shuangliu Transportation Construction Investment Co., Ltd., and then as Chengdu Shuangliu District Transportation Construction Investment Co., Ltd. The Company is the only transportation infrastructure construction entity and the only public transportation operator in Shuangliu District. CACD is primarily engaged in the development and services of city infrastructure projects in Shuangliu District. It also undertakes commercial activities such as talent services, asset leasing, and hotel and property management services.

As of 31 March 2025, the Finance Bureau of Shuangliu District, Chengdu and Sichuan Provincial Finance Department held 90% and 10% of the Company's shares, respectively. The Company is directly controlled by the Finance Bureau of Shuangliu District, Chengdu.

Exhibit 1. Revenue structure in 2024

Source: Company information, CCXAP research

Exhibit 2. Shareholding and organization chart as of 31 March 2025

Source: Company information, CCXAP research

Rating Considerations**Government's Capacity to Provide Support**

We believe that the Shuangliu District Government has a very strong capacity to provide support for the Company, given its good economic fundamentals and fiscal strengths.

Sichuan Province is a leading economic province and is recognized as one of the most developed provinces in China. In 2024, Sichuan recorded a gross regional product ("GRP") of RMB6.5 trillion, with a GRP growth rate of 5.7% year on year ("YoY"). Its general budgetary revenue increased to RMB563.5 billion, up by 1.9% YoY. In 2025Q1, Sichuan achieved a GRP of RMB1.5 trillion, a YoY increase of 5.5%.

Chengdu City is a sub-provincial city that serves as the capital city of Sichuan Province. Chengdu City is also an important economic and financial center, as well as a transportation and communication hub in Southwest China, with a solid economic foundation. Its economy is characterized by industries such as electronic information product manufacturing, machinery, automotive, metallurgy, building materials and light industry. In 2024, Chengdu achieved a GRP of RMB2.4 trillion, a YoY increase of 5.7%. The Chengdu Municipal Government's general budgetary revenue amounted to RMB195.0 billion in 2024, a YoY increase of 1.1%. However, the increase in general budgetary revenue was due to an increase in non-tax revenue, which is considered to be less sustainable. In 2024, the tax revenue of Chengdu City declined to RMB137.4 billion from RMB145.0 billion in 2023. In 2024, its fiscal balance ratio was 74.7%, which was at a moderate level. In 2024,

Chengdu's outstanding government debt increased to RMB620.7 billion with an increasing trend, accounting for 26.4% of its GRP. In 2025Q1, Chengdu achieved a GRP of RMB593.0 billion, a YoY increase of 6.0%.

Exhibit 3. Key Economic and Fiscal Indicators of Chengdu City

	2022FY	2023FY	2024FY
GRP (RMB billion)	2,081.8	2,207.5	2,351.1
GRP Growth (%)	2.8	6.0	5.7
General Budgetary Revenue (RMB billion)	172.2	192.9	195.0
General Budgetary Expenditure (RMB billion)	243.5	258.7	261.0
Local Government Debt (RMB billion)	464.1	522.9	620.7

Source: Statistic Bureau of Chengdu City, CCXAP research

Shuangliu District was established in 2016 and is one of the central urban areas of Chengdu, where Chengdu Shuangliu International Airport is located. There are also national-level Tianfu New District, Chengdu Linkong Economic Demonstration Zone, and China (Sichuan) Free Trade Pilot Zone in Shuangliu District. Relying on the development of the three pillar industries of aviation economy, biomedicine, and electronic information, as well as important regional advantages, the economy of Shuangliu District has developed rapidly in recent years. In 2024, the GRP of Shuangliu District amounted to RMB124.1 billion, representing a YoY growth of 6.0%, and accounted for 5.3% of the GRP of Chengdu City. Shuangliu District demonstrates ongoing fiscal growth. Its general budgetary revenue increased steadily from RMB10.2 billion in 2023 to RMB10.5 billion in 2024, ranking 4th among 20 districts and counties in Chengdu City. It also has good financial stability, with tax revenue accounting for 80.0% of total general budgetary revenue in 2024. However, due to land market pressure, the government fund revenue decreased from RMB11.5 billion in 2023 to RMB7.9 billion in 2024. Shuangliu District's fiscal balance ratio still maintained a moderate self-sufficiency of 66.9% in 2024. The outstanding debt of Shuangliu District Government amounted to RMB 35.0 billion, with a government debt-to-GDP ratio of 28.2% as of 31 December 2024.

Exhibit 4. Key Economic and Fiscal Indicators of Shuangliu District

	2022FY	2023FY	2024FY
GRP (RMB billion)	113.1	119.7	124.1
GRP Growth (%)	0.6	5.9	6.0
General Budgetary Revenue (RMB billion)	9.6	10.2	10.5
General Budgetary Expenditure (RMB billion)	13.1	14.6	15.7
Local Government Debt (RMB billion)	25.5	30.9	35.0

Source: Statistic Bureau of Shuangliu District, CCXAP research

With the successive establishment of major enterprises, including Airbus Corporation, SF Express, and Commercial Aircraft Corporation of China setting up their bases in Shuangliu District, it will further enhance the region's future economic and fiscal strength. Furthermore, the industrial cooperation between Jianyang City and Shuangliu District also serves as a key catalyst for regional economic growth.

Government's Willingness to Provide Support

Monopolistic position in transportation infrastructure construction in Shuangliu District

There are two major Infrastructure Investment and Financing Companies ("LIIFC") in Shuangliu District, namely CACD and Chengdu Airport Xingcheng Investment Group Co., Ltd. CACD is a key LIIFC with the second-largest total assets in Shuangliu District and has a monopolistic position in transportation infrastructure construction. It

has clear positioning and strong regional franchise rights. CACD is solely responsible for the construction and operation of transportation infrastructure in Shuangliu District, including (1) city upgrading and development, and the construction of city infrastructure and transportation infrastructure; and (2) city transportation services, mainly public transportation operations. In addition, the Company's subsidiary, Chengdu Aerotropolis Industry Finance & Investment Development Co., Ltd. is the sole construction, development, and industrial investment entity in Chengdu International Airport Business District. It is responsible for regional development and industrial investment within Chengdu International Airport Business District. As such, the Company plays a pivotal role in upgrading and improving the city infrastructure and public services in Shuangliu District. Given its key role, we believe the Company will not be easily replaced by other local state-owned enterprises in the foreseeable future.

Sufficient project reserves with good sustainability in public activities

CACD continues to focus on the development of major infrastructure construction projects in the Airport Business District and the Yixin Lake Area, as well as major transportation infrastructure construction projects in Shuangliu District. The Company also provides high-quality transport logistics services in Shuangliu District, developing the airport and urban transportation networks with a focus on providing public transportation services.

The Company employs three different models in the management and development of public projects: (1) the Build Transfer ("BT") model, (2) the Agent Construction model, and (3) the Public-Private Partnership ("PPP") model. The majority of the Company's construction projects continue to be conducted under the Agent Construction model, with the support of government funds. As of 31 March 2025, the Company had 10 agent construction projects under construction or planning, with a total estimated investment amount of RMB11.5 billion and an outstanding balance of RMB4.5 billion, exerting relatively large capital expenditure pressure. We expect that the public activities of the Company will be sustainable given the large projects in its pipeline.

In addition, the Company owns all public transportation operation rights in Shuangliu District. As of the end of March 2025, the Company operated 78 transportation lines and 1,021 buses, of which new-energy vehicles accounted for more than 80%. However, due to the public welfare nature of the business, the Company continued to record large losses in 2024 and has received government subsidies to compensate for these losses. From 2024 to 2025Q1, to compensate for operating losses, the Shuangliu District Government provided the Company with a total bus operation subsidy of RMB153.0 million.

Solid track record of receiving ongoing government payments

CACD has received ongoing support from the Shuangliu District Government, including asset injections, capital injections, financial subsidies, and project grants. From 2024 to 2025Q1, the Company received a cash injection of RMB2.7 billion. The Company also received RMB310.0 million of government financial subsidies during the same period. In terms of project payments, CACD received RMB306.7 million from 2024 to 2025Q1. Although there are uncertainties in the collection of public welfare projects, given the monopoly and strategic role of CACD in Shuangliu District, we expect the Company will continue to receive support from the Shuangliu District Government in the future.

Medium exposure to commercial activities

In addition to public activities, CACD is also involved in other commercial activities such as self-operated project construction, parking, vehicle inspection, property development, fuel trading, and modern service business. We estimate that the Company has medium commercial exposure as the proportion of commercial business assets accounts for around 30% of its total assets.

The commodity sales business is the largest revenue contributor in 2024, with a total revenue of RMB1.5 billion. The Company sells chemical commodities, such as Electrolytic Copper and Zinc Ingot. The Company uses two transaction models: payment before delivery and delivery before payment. Under payment before delivery, there is no credit period, which means shipment occurs immediately after receiving payment. Under delivery before payment, the credit period is 30 to 60 working days. The Company also sells fuel and gas by owning and operating 1 gas station. The profitability of the commodities sales business has been improved to around 7% in 2024 (2023: 3%).

Apart from public projects, CACD also engages in the construction of self-operating projects, such as industrial parks and convention and exhibition centers. The Company mainly achieves a balance between revenue and expense through obtaining operating income from these projects. As of 31 March 2025, the Company had 5 major self-operating projects under construction or planning, with an estimated total investment of RMB9.6 billion and an outstanding amount of RMB8.5 billion, exerting a certain capital expenditure pressure. These projects are self-supporting, more market-driven, and less likely to receive government subsidies in the future. In addition, there is uncertainty regarding the breakeven of the self-operated projects, which is subject to their operating performance.

The Company conducts property development business in Shuangliu District. As of 31 March 2025, the Company had 8 major projects under construction, with a total planned investment of RMB15.6 billion and an outstanding amount of RMB4.2 billion, exerting a certain capital expenditure pressure. As of 31 March 2025, the Company had recorded property sales of RMB3.5 billion. The Company's property development projects have a sellable area of 728,200 square meters, with 338,200 square meters currently on sale and 216,900 square meters already sold. Given that the property development business is market-driven, the segment revenue is easily affected by changes in economic conditions and the decelerated property market in China.

The Company's modern service business includes human resources services, asset leasing, hotel operations, media services, and others. More than 90% of the revenue of modern service business in 2024 was contributed by human resources services, which involve providing labor dispatch personnel mainly to the government agencies or institutions in Shuangliu District. However, the human resources segment entails business risk and suffers from market volatility, as it is highly associated with the district economy and supply and demand of the working population. The Company's leasing income mainly involves leasing bonded and logistics warehouses, with a total leasable area of 264 thousand square meters, with good occupancy rates as of 31 March 2025. Moreover, the Company also operates parking lots, vehicle inspection, and fuel trading businesses in the Shuangliu District. However, the small operating scale limits the contribution to the Company's cash flow and revenue.

High debt growth driven by a large number of construction projects

CACD has high debt growth owing to its debt-driven business expansion over the past few years. Its total debt had increased from RMB42.8 billion at end-2023 to RMB55.3 billion as of 31 March 2025, and its capitalization ratio increased from 59.0% to 62.9% over the same period. The Company has certain short-term debt repayment pressure as its short-term debt accounted for 24.2% of total debt, and its cash to short-term debt ratio was around 0.5x as of 31 March 2025. Given its large capital expenditure pressure from public projects and self-operated projects, we expect the Company will maintain high debt growth for the next 12-18 months.

CACD has low contingent liability risk. As of 31 December 2024, the Company had outstanding external guarantees of RMB4.5 billion, accounting for 13.8% of its net assets. The counterparties of external guarantees are all local state-owned enterprises with relatively low default risks, as they are likely to receive government

support to withstand unfavorable market conditions.

Weak asset liquidity

Meanwhile, the Company's asset liquidity profile remained weak. As of 31 March 2025, inventories and non-current assets accounted for around 82.0% of the total assets. Among them, inventories are mainly consisted of construction costs and undeveloped lands, and non-current assets mainly construction projects, which are believed to be of low liquidity. Meanwhile, as of 31 March 2025, around 8.4% of the Company's total assets were restricted, which were mainly pledged for bank borrowing.

Access to multiple financing channels

The Company has access to multiple financing channels to alleviate its debt repayment pressure. Around 66.1% of the Company's debt was provided by bank loans. Its total credit facility increased from RMB39.2 billion as of 31 March 2024 to RMB50.3 billion as of 31 March 2025, mainly driven by the borrowing from large policy banks, including the Agricultural Development Bank and China Development Bank. As of 31 March 2025, the Company had available credit facilities of RMB13.3 billion, which provides a good standby liquidity cushion to the Company. The Company has diversified its funding channel to both onshore and offshore debt capital markets, which accounted for 21.1% of the Company's total debt. The Company has issued various types of bonds, such as PPNs, MTNs, and offshore bonds. In 2024, the Company raised RMB2.0 billion in the onshore bond market and RMB2.5 billion in the offshore market, with coupon rates ranging from 2.6% to 4.0%. In addition, the Company's exposure to non-standard financing is relatively low at about 12.8%.

ESG Considerations

CACD assumes environmental risks for its infrastructure projects. Such risks could be mitigated by conducting environmental studies and detailed planning prior to the commencement of projects and close supervision during construction. CACD's key operations are in material compliance with currently applicable national and local environmental, health and safety laws and regulations.

CACD is also exposed to social risks as it implements public-policy initiatives by building public infrastructure in Shuangliu District. Demographic changes, public awareness and social priorities shape the government's development strategy, and it will affect the government's propensity to support the Company.

CACD's governance considerations are also important as it is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity.

Structural Consideration

CACD'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 key role in transportation infrastructure construction in Shuangliu District, thereby mitigating any differences in an expected loss that result from structural subordination.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [China's Local Infrastructure Investment and Financing Companies \(July 2022\)](#).

Copyright © 2025 China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP"). All rights reserved.

No part of this publication may be reproduced, resold, or redistributed in any form or by any means, without prior written permission of CCXAP.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP's publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP's publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656