Credit Opinion

27 November 2026

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB_g+
Outlook	Stable

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Chengdu Tianfu Dagang Group Co., Ltd.

Initial credit rating report

CCXAP assigns first-time long-term credit rating of BBB_g+ to Chengdu Tianfu Dagang Group Co., Ltd., with stable outlook.

Summary

The BBB_g+ long-term credit rating of Chengdu Tianfu Dagang Group Co., Ltd. ("CTDG" or the "Company") reflects Jintang County Government's (1) strong capacity to provide support, and (2) extremely high willingness to provide support, based on our assessment of the Company's characteristics.

Our assessment of Jintang County Government's capacity to support reflects its ongoing economic growth, with relatively good investment potential.

The rating also reflects the local government's willingness to support, which is based on the Company's (1) ultimate control by the Jintang County Government; (2) important role in local infrastructure construction and utility services; and (3) solid track record of receiving government support.

However, the Company's rating is constrained by its (1) medium exposure to commercial activities; (2) weak asset liquidity; and (3) moderate exposure to contingent liabilities.

The stable outlook on CTDG's rating reflects our expectation that the local government's capacity to support will remain stable, and the Company will maintain its important role in local infrastructure construction and utility services in Jintang County over the next 12–18 months.

Rating Drivers

- Important role in local infrastructure construction and utility services
- Solid track record of receiving ongoing government support
- Medium exposure to commercial activities
- Reasonable debt leverage with short-term debt repayment pressure
- Access to multiple financing channels
- Moderate exposure to contingent liabilities

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) Jintang County Government's capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as lower exposure to risky commercial activities or lower exposure to contingent risks.

What could downgrade the rating?

The rating could be downgraded if (1) Jintang County Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as reduced strategic significance or weakened funding ability.

Key Indicators

	2023FY	2024FY	2025FY	2026H1
Total Asset (RMB billion)	138.7	140.2	145.2	145.0
Total Equity (RMB billion)	81.9	81.7	84.8	85.6
Total Revenue (RMB billion)	7.4	7.0	6.8	3.8
Total Debt/Total Capital (%)	35.3	36.6	37.7	37.3

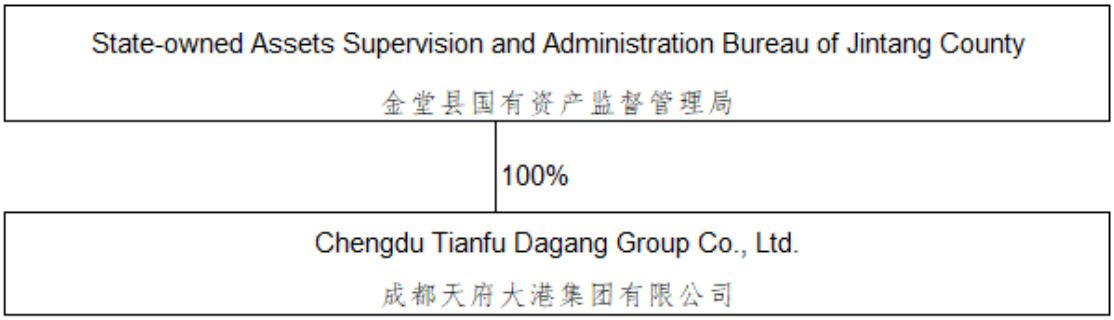
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

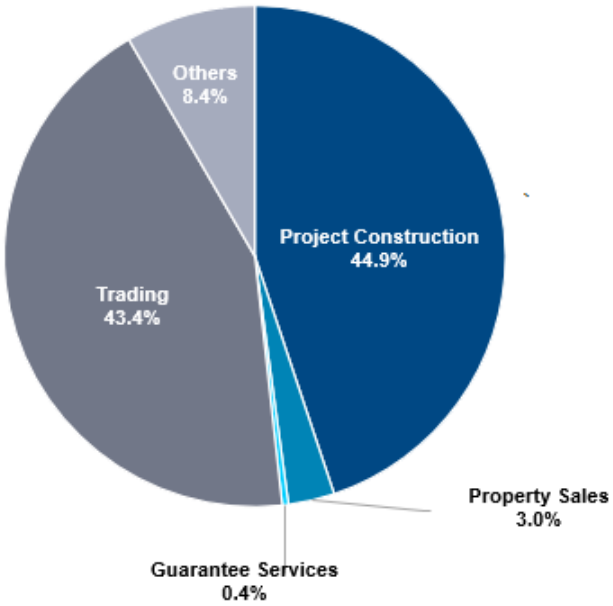
Founded in January 2018, CTDG is a key local state-owned enterprise ("SOE") and a key local infrastructure investment and financing company ("LIIFC") in Jintang County, Chengdu City, Sichuan Province. The Company is primarily responsible for urban infrastructure construction, urban renewal, resettlement housing construction, and state-owned asset operation in Jintang County. Apart from public projects, the Company also engages in commercial activities such as self-operated project construction, property development and leasing, trading, and financing guarantee services. As of 30 June 2026, CTDG was wholly owned and directly controlled by the State-owned Assets Supervision and Administration Bureau of Jintang County ("Jintang SASAB"). The Jintang County Government was the ultimate controller of the Company.

Exhibit 1. Shareholding chart as of 30 June 2026



Source: Company information, CCXAP research

Exhibit 2. Revenue structure in 2025



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that the Jintang County Government has a strong capacity to provide support for the Company, considering its ongoing economic growth, good development potential, and expected support from the Chengdu Municipal Government.

Sichuan Province is a leading economic province and is recognized as one of the most developed provinces in China. In 2025, Sichuan recorded a gross regional product ("GRP") of RMB6.8 trillion, with a GRP growth rate of 5.5% year-on-year ("YoY"). Its general budgetary revenue increased to RMB585.4 billion, up by 3.9% YoY.

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 the light industry. In 2025, Chengdu achieved a GRP of RMB2.5 trillion, a YoY increase of 5.8%. The Chengdu Municipal Government's general budgetary revenue amounted to RMB200.1 billion in 2025, a YoY increase of 2.6%. In 2025, the tax revenue of Chengdu City increased to RMB140.9 billion from RMB137.4 billion in 2024. In 2025, its fiscal balance ratio was 74.7%, which was at a moderate level. In 2025, Chengdu's outstanding government debt increased to RMB722.4 billion, with an increasing trend, accounting for 29.2% of its GRP.

Exhibit 3. Key economic and fiscal indicators of Chengdu City

	2023FY	2024FY	2025FY
GRP (RMB billion)	2,207.5	2,351.1	2,476.4
GRP Growth (%)	6.0	5.7	5.8
General Budgetary Revenue (RMB billion)	192.9	195.0	200.1
General Budgetary Expenditure (RMB billion)	258.7	261.0	268.0
Local Government Debt (RMB billion)	522.9	620.7	722.4

Source: Chengdu Municipal Government, CCXAP research

Located in the northeastern area of Chengdu City with a total area of 1,156 square kilometers, Jintang County is a key node in the Chengdu-Chongqing Twin-City Economic Circle. In recent years, in addition to supporting traditional industries, Jintang County has actively developed green and low-carbon industries, focusing on new energy and new materials, energy conservation and environmental protection, and general aviation. Relying on these pillar industries, Jintang County's GRP increased from RMB65.0 billion in 2023 to RMB75.1 billion in 2025. Jintang County's general budgetary revenue increased from RMB4.5 billion in 2023 to RMB5.4 billion in 2025. Tax revenue accounted for 33.4% of its general budgetary revenue in 2025. Government fund revenue decreased to RMB2.8 billion in 2025 from RMB3.5 billion in 2024, and remains sensitive to land market conditions. Jintang County also has moderate fiscal self-sufficiency, with an average fiscal balance ratio of 60.1% from 2023 to 2025. Jintang County's outstanding government debt increased to RMB34.7 billion, accounting for 46.3% of its GRP in 2025.

Exhibit 4. Key economic and fiscal indicators of Jintang County

	2023FY	2024FY	2025FY
GRP (RMB billion)	65.0	70.6	75.1
GRP Growth (%)	8.1	6.2	6.3
General Budgetary Revenue (RMB billion)	4.5	5.1	5.4
General Budgetary Expenditure (RMB billion)	7.5	9.2	8.4
Local Government Debt (RMB billion)	27.8	30.9	34.7

Source: Jintang County Government, CCXAP research

Government's Willingness to Provide Support

Important role in local infrastructure construction and utility services

There are three major local infrastructure investment and financing companies ("LIIFCs") in Jintang County, namely CTDG, Chengdu Dongjin Industrial Investment Group Co., Ltd. ("Dongjin Group"), and Chengdu Dongjin Huaizhou Xincheng Investment Group Co., Ltd. ("Huaizhou Investment"), each with a different business positioning. Dongjin Group mainly undertakes urban operation, industrial investment, and industrial park operation, while Huaizhou Investment primarily undertakes infrastructure construction and land development in Huaizhou New City. CTDG is an important infrastructure construction and state-owned asset operation entity in

Jintang County, primarily responsible for urban infrastructure, resettlement housing, and water-related infrastructure construction. CTDG had the largest total assets among the three groups as of 30 June 2026. Considering the Company's high strategic significance to the development of Jintang County, we believe the Company will not be easily replaced by other local SOEs in the foreseeable future.

CTDG undertakes infrastructure construction and resettlement housing construction projects mainly under the agency construction model. The Company signs construction agreements with project owners and settles project costs annually according to construction progress with certain markups. The Company is responsible for roads, bridges, water infrastructure, and resettlement housing construction in Jintang County. As of 30 June 2026, the Company had 45 major infrastructure construction projects in its project portfolio, with a total estimated investment of RMB15.7 billion and an outstanding investment of RMB9.0 billion. For resettlement housing, the Company had 4 major projects under construction as of 30 June 2026, with a total estimated investment of RMB5.7 billion and an outstanding investment of RMB2.8 billion. CTDG also undertakes urban renewal projects under the agency construction model, including the Jintang County Jiaoshan Area Urban Renewal Project. We expect the Company's public activities to remain sustainable given its sizeable project portfolio, which also exerts relatively large capital expenditure pressure.

Solid track record of receiving ongoing government support

CTDG has received various types of government support since its establishment through capital injections, asset transfers, subsidies and project repayment. In 2023, 2024 and 2025, the Company received capital contributions of RMB518.0 million, RMB681.0 million and RMB494.0 million from the local government, respectively, recorded as increases in paid-in capital. From 2025 to 2026H1, its capital reserves also recorded a net increase of RMB3.2 billion, mainly from injections of operating rights relating to idle or underutilised land, reservoirs, water resources, and cultivation and aquaculture areas. From 2023 to 2026H1, the Company received government subsidies of RMB1.1 billion, supporting its profitability and daily operation. As of 30 June 2026, the Company had received project repayment for its infrastructure and resettlement housing construction of RMB13.3 billion. Considering CTDG's important strategic role and government ownership, we expect that extraordinary government support would be extended if needed.

Medium exposure to commercial activities

In addition to public activities, CTDG is also involved in commercial activities, such as commodity sales, self-operated project construction, property sales, asset leasing, and financing guarantees. We consider the Company's overall exposure to commercial activities to be medium.

The Company engages in commodity trading, mainly involving corn, logs, and construction materials. The business is undertaken by the Company and its subsidiaries under a sales-driven procurement model. The Company enters into separate purchase and sales contracts with downstream customers and upstream suppliers, and earns the difference between purchase and selling prices. Trading revenue increased from RMB2.6 billion in 2024 to RMB2.9 billion in 2025, accounting for 43.4% of the Company's total revenue in 2025. However, its gross profit margin was thin at 0.6% in 2025. The upstream and downstream concentration is relatively low. The top 5 suppliers and customers accounted for 18.3% and 14.1% of the total procurement and total sales in 2025.

CTDG also has several self-operated projects under construction, including cold-chain logistics facilities, river improvement, high-standard farmland, parking facilities and irrigation infrastructure. These projects are expected to generate revenue mainly from leasing and subsequent operations upon completion. As of 30 June

2026, the Company had 6 major self-operated projects under construction and 8 major projects under planning, with a total planned investment amount of RMB3.7 billion and an outstanding investment of RMB2.3 billion, bringing certain capital expenditure pressure.

CTDG also engages in property development business, mainly including the construction and sales of commercial housing projects. As of 30 June 2026, the Company had 3 major completed projects for sale, with a total saleable area of approximately 298,700 square meters and remaining saleable area of 72,900 square meters. In 2025, property sales revenue increased to RMB202.0 million from RMB89.5 million in 2024, mainly driven by the collective sale of Jinyuwan project. However, the gross profit margins were negative over the past two years recording at -19.9% in 2025, due to the high costs accumulated in existing projects. The Company is exposed to inventory destocking pressure and potential asset impairment risk especially under the downturn of current real estate market.

Reasonable debt leverage with short-term debt repayment pressure

CTDG's debt burden has increased in recent years. As of 30 June 2026, the Company's total debt increased to RMB50.9 billion from RMB44.6 billion as of end-2023. The total capitalization ratio (total debt/total capital) remained at a reasonable level of 37.3% as of the same date. Meanwhile, short-term debt accounted for 30.4% of its total debt, with cash to short-term debt ratio of approximately 0.2x. Considering the ongoing investment in the infrastructure and self-operated projects, we expect the Company to remain reliant on project collections and refinancing in the coming 12 to 18 months.

CTDG's asset liquidity was relatively weak. The Company's total assets mainly consist of receivables, inventories, and intangible assets, which accounted for 86.3% of its total assets as of 30 June 2026. Receivables are mainly comprised of construction project receivables. Inventories were mainly land and development costs for infrastructure and resettlement housing projects. Intangible assets mainly comprise operating rights for sand and gravel resources. These assets are considered to have low liquidity. As of 30 June 2026, restricted assets amounted to RMB11.0 billion, representing 7.6% of the Company's total assets, mainly comprising mortgaged inventories and restricted cash.

Access to multiple financing channels

CTDG mainly relies on bank borrowings and bond issuances for external funding. As of 30 June 2026, bank loans amounted to RMB26.5 billion, accounting for more than 50% of total debt. The Company has good banking relationships with both commercial banks and policy banks, with total credit facilities of RMB34.4 billion and unused facilities of RMB7.9 billion, providing some liquidity buffer. The Company also has continued access to the debt capital market. For example, the Company proper issued 2 tranches of corporate bonds with a total amount of RMB545 million in September and October 2026. The Company also issued 4 tranches of offshore bonds in 2025, with a total amount of USD143.5 million and RMB774 million. Non-standard financing amounted to RMB4.5 billion as of 30 June 2026, accounting for less than 10% of total debt.

Moderate exposure to contingent liabilities

CTDG has moderate exposure to contingent liability risk. As of 30 June 2026, the Company's external guarantees amounted to RMB35.2 billion, accounting for 41.1% of its net assets. The external guarantees were primarily provided to local SOEs. CTDG also engages in financial guarantee business, mainly serving local SOEs and small and micro enterprises in Jintang County. In 2025, the Company provided financing guarantees to 254 customers, with an aggregate amount of RMB1.5 billion. As of 30 June 2026, the outstanding guarantee

liabilities were RMB1.6 billion and all the financial guarantees were backed by counter-guarantee measures. Apart from that, most of the external guarantees were provided to local state-owned entities, which are likely to be supported by the local government when necessary.

ESG Considerations

CTDG faces environmental risks through its infrastructure construction projects. Such risks could be moderated by conducting environmental studies and planning prior to the start of the projects, and close monitoring during the construction phase.

CTDG bears social risks as it implements resettlement housing and infrastructure construction in Jintang County. Demographic changes, public awareness and social priorities shape the Company's development targets and ultimately affect the local government's propensity to support the Company.

CTDG's governance considerations are also material as the Company is subject to local government oversight and reporting requirements, reflecting its public role and status as a government-owned entity. In December 2024, its subsidiary, Chengdu Tianfu Shuicheng Urban and Rural Water Construction Co., Ltd., received a warning letter from the Sichuan Regulatory Bureau of the China Securities Regulatory Commission for providing financial assistance to investors subscribing to its bonds. The subsidiary submitted rectification reports to the regulator twice in 2025.

Rating Methodology

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

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