Credit Opinion

22 September 2026

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

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Sichuan Jianzhou Airport Agricultural Investment and Development Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Sichuan Jianzhou Airport Agricultural Investment and Development Group Co., Ltd.'s long-term credit rating at BBB_g, with stable outlook.

Summary

The BBB_g long-term credit rating of Sichuan Jianzhou Airport Agricultural Investment and Development Group Co., Ltd. ("JAID" or the "Company") is underpinned by the Company's (1) strategic role as an important entity for the investment and development of agricultural industry in Jianyang City; and (2) access to funding from banks and bond market.

However, the rating is constrained by the Company's (1) small revenue scale and weak profitability; and (2) increasing debt leverage and weak credit metrics.

The rating also reflects high likelihood of receiving support from the Jianyang City Government when necessary, which is based on the Company's (1) ultimate control by the Jianyang City Government; (2) strategic importance as the important entity for the investment and development of agricultural industry in Jianyang City; and (3) solid support receiving from the local government.

The stable outlook on JAID's rating reflects our expectation that, for the next 12 to 18 months, the Company will maintain its dominant position in the agricultural development and rural revitalization in Jianyang City, and the local government's capacity to support the Company will remain stable.

Rating Drivers

- Strategic role as the important entity for the investment and development of agricultural industry in Jianyang City
- Small revenue scale and weak profitability
- Increasing debt leverage and weak credit metrics
- Access to funding from banks and bond market
- High likelihood of receiving support from the local government

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the likelihood of government support for the Company strengthens; and (2) the Company's stand-alone credit profile improves significantly, such as an improvement in credit metrics and access to funding.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of government support for the Company decreases; or (2) the Company's stand-alone credit profile weakens significantly, such as deterioration in debt leverage or liquidity.

Key Indicators

	2023FY	2024FY	2025FY
Total Assets (RMB billion)	14.2	19.3	21.7
Total Equity (RMB billion)	7.3	7.8	8.2
Total Revenue (RMB million)	1,285.5	1,953.8	3,969.8
Net Profits (RMB million)	48.8	67.5	122.9
EBIT Margin (%)	1.8	2.5	4.7
Return on Assets (%)	0.2	0.3	0.9
Total Debt/Total Capital (%)	45.1	55.3	59.5
Total Debt/EBITDA (x)	29.7	40.8	48.5
EBITDA/Interest (x)	0.7	0.3	0.3
FFO/Total debt (x)	-0.02	-0.04	-0.02

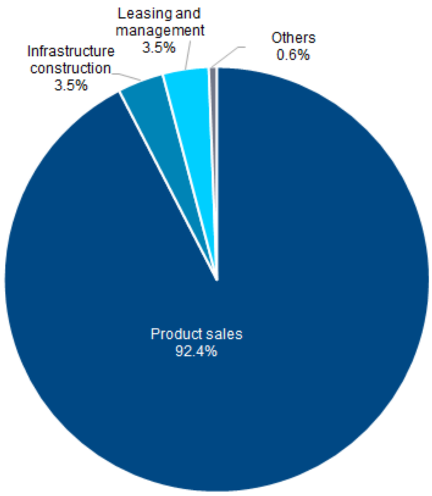
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

Founded in 2016, formerly known as Jianyang Huizhong Agricultural Investment Development Co., Ltd. JAID has a clear positioning of rural revitalization and agricultural development. The Company is primarily responsible for agricultural infrastructure development in Jianyang City. The Company also derives revenue from businesses such as product sales, leasing and management, waste transfer, waste oil treatment, and drying center. As of 31 March 2026, Jianyang Finance Bureau controlled 95% of JAID's shares and Sichuan Provincial Department of Finance held the remaining 5%. Jianyang Finance Bureau is the ultimate controller of JAID.

Exhibit 1. Revenue structure in 2025



Source: Company information, CCXAP research

Exhibit 2. Shareholding chart as of 31 March 2026

Source: Company information, CCXAP research

Rating Considerations

Business Profile

Important entity for the investment and development of agricultural industry in Jianyang City

Authorized by the Jianyang City Government, JAID has been engaged in agricultural project development within Jianyang City since its establishment in 2016, with strong regional competitive advantage. As an important entity for the investment and development of agricultural industry in Jianyang City, the Company mainly engages in agricultural project development, trading, leasing and management within the City. Considering the Company's high strategic significance to the development of Jianyang City, we believe the Company will not be easily replaced by other local state-owned enterprises in the foreseeable future.

Currently, the Company develops agricultural projects mainly through the self-operated model, utilizing funding sources such as its own capital, external financing, and fiscal funds. These projects include high-standard farmlands, fruit cultivation. Upon completion, the Company will generate rental and operating income to achieve a capital balance. As of 31 December 2025, it mainly had 8 self-operated projects under construction, with a total estimated investment of RMB2.9 billion and an uninvested amount of RMB1.7 billion and had 6 self-operated projects under planning, with a total estimated investment of RMB1.1 billion. The large amount of self-operated projects in the pipeline will exert certain capital expenditure pressure to the Company.

Solid development momentum of product sales and leasing businesses, with certain degree of capital occupation

JAID's revenue mainly comes from the sales of products, which accounted for 92.4% of its total revenue in 2025. The Company expanded the sales of products business, which mainly involves sales of agricultural products, steels, building materials, and photovoltaic module, resulting in a 118.2% year-on-year ("YoY") increase in revenue in 2025. However, the profitability of the business is low, with a gross profit margin of 2.0% in 2025, increasing from 0.2% in 2024. Owing to the more diversified products, the concentration risks of the business have been reduced, with the top 5 customers and suppliers accounting for 36.4% and 35.9% of total sales and total procurement in 2025, respectively.

The Company's leasing and management business primarily involves the leasing of self-owned assets, such as water supply networks, lands, and factories, to agriculture-related entities, village committees, micro and small enterprises, and individuals. This business segment boasts a high gross profit margin and constitutes a significant component of the Company's profits. In 2025, the rental income amounted to RMB138.7 million, with a gross profit margin of 75.5%.

In addition, the Company generates income from waste transfer, waste oil treatment, and drying center. However, these businesses have low contributions to the overall revenue.

Financial Profile

Small revenue scale and weak profitability

Currently, the Company's revenue scale is small, mainly derived from product sales (accounting for 92.4% of total revenue in 2025). However, due to the improved gross profit margin from product sales business, the Company's overall gross profit margin increased from 3.7% in 2024 to 5.1% in 2025. Coupled with its relatively low period expense ratio (3.2% in 2025), the Company's EBIT margin rose from 2.5% in 2024 to 4.7% in 2025, despite remaining at a low level.

In addition, the asset profitability is weak, with return on assets of 0.9% in 2025. The total assets mainly consist of inventories, total receivables, and investment properties, accounting for 82.8% at end-2025. Inventories are mainly investment costs for construction projects, the receivables mainly consist of unreceived payments from government agencies or other state-owned companies, while investment properties are leasable properties, all of which have low liquidity and profitability, resulting in weak asset returns.

Increasing debt leverage and weak credit metrics

JAID's adjusted total debt increased from RMB9.6 billion at end-2024 to RMB12.1 billion at end-2025, and its total capitalization ratio increased from 55.3% to 59.5% over the same period. The increase in debt was mainly attributable to the expansion of construction projects. Nevertheless, the Company faces relatively high short-term repayment pressure, with its short-term debt accounting for around 34.3% of its total debt as of 31 December 2025, and the cash to short-term debt ratio remained low at 0.2x.

With weak profitability and increasing debt, JAID's debt servicing capability is weak. In 2025, its total debt/EBITDA ratio was high at 48.5x and the EBITDA/total interest ratio was 0.3x. Given the Company's relatively large expenditure pressure from the construction projects in the pipeline, we expect that its debt will continue to grow in the next 12 to 18 months.

Access to funding from banks and bond market

JAID has access to multiple financing channels, such as bank loans and offshore bond market. It also has good banking relationships, and around 71.6% of the Company's debt was provided by bank loans. As of 31 December 2025, it held available credit facilities of RMB3.5 billion. The Company further expanded its funding channel to the offshore debt capital market in 2024. In 2024, the Company raised JPY9.8 billion with coupon rate of 3.3% and USD18.0 million with coupon rate of 7.0% in the offshore bond market. In addition, the Company is reducing its reliance on non-standard financing. As of 31 December 2025, around 14% of total debt was provided by non-standard financing, including financial leasing.

External Support

High likelihood of support from the local government

We anticipate the Company has a high likelihood of receiving support from the Jianyang City Government when necessary, which is based on the Company's (1) ultimate control by the Jianyang City Government; (2) strategic role as the important entity for the investment and development of agricultural industry in Jianyang City; and (3) solid support receiving from the local government.

Jianyang City is a county-level city under the administration of Chengdu, with a total area of 2,213 square kilometers. As an important industrial city in Sichuan Province, Jianyang's industrial base mainly focuses on mechanical manufacturing, agricultural and sideline food processing, rubber and chemical production, textile and clothing manufacturing, pharmaceutical production, and building materials. Benefited by its good industrial base, Jianyang's gross regional product amounted to RMB92.6 billion in 2025, a YoY increase of 6.9%. Jianyang City Government's general budgetary revenue increased from RMB5.6 billion in 2024 to RMB6.1 billion in 2025.

Jianyang Finance Bureau maintains a high degree of control over the Company's operations, including the formulation of business strategies and the appointment of the board of directors and key management personnel. In addition, the Company is required to report its annual budget, objectives, plans and performance to Jianyang Finance Bureau.

As an important entity for the investment and development of agricultural industry in Jianyang City, the Company mainly engages in agricultural project development, trading, leasing and management within the City, making great contributions to the agricultural development and rural revitalization of Jianyang City.

JAID has a track record of receiving support from the Jianyang City Government. These payments take various forms, such as government subsidies and capital injections, which effectively improved the Company's cash flow and financial leverage. In 2025, the Company received subsidies of RMB39.2 million, and special bond fund injections of RMB20.0 million from the local government. The Company has also been injected assets such as schools in 2025, with capital reserves increasing by RMB76.9 million. Given JAID's important strategic role, we expect the Company will continue to receive support from the local government in the future.

ESG Considerations

JAID assumes environmental risks for its construction projects. Such risks could be mitigated by conducting environmental studies and detailed planning prior to the commencement of projects and close supervision during construction.

JAID is also exposed to social risks as a key industrial investment entity in Jianyang City. Its social license to operate depends on fair labor practices, employee welfare, service quality, and local economic contributions. In recent years, the Company has not experienced any major safety accidents or project quality incidents in its business operations, nor has it been involved in any major labor disputes.

The Company's governance considerations are also material as it is subject to oversight and reporting requirements to the local government, reflecting its status as a government-owned entity.

Rating Methodology

The methodology used in this rating is the Rating Methodology for General Corporate (May 2026).

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