

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

Hong Kong, 8 August 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Chengdu Aerotropolis City Development Group Co., Ltd. (“CACD” or the “Company”) at A_g-, with stable outlook. At the same time, CCXAP has affirmed the Company’s senior unsecured debt rating at A_g-.

The A_g- long-term credit rating of CACD 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.

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.

Rating Rationale

Credit Strengths

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.

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.

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. 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.

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. 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. In addition, the Company's exposure to non-standard financing is relatively low at about 12.8%.

Credit Challenges

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.

High debt growth driven by 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. 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.

Weak asset liquidity. 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.

Rating Outlook



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.

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.

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:

http://www.ccxap.com/en/rating_services/category/6/

This rating is solicited. Please refer to CCXAP's Policy for designating and assigning Solicited and Unsolicited Credit Ratings available on its website at:

http://www.ccxap.com/en/rating_services/category/9/

The rating has been disclosed to the rated entity or its related party prior to publication, and issued with no amendment resulting from that disclosure.

CCXAP considers a rated entity or its related party to be participating when it maintains an overall relationship with CCXAP. Unless specifically noted in the Regulatory Disclosures as a non-participating entity, the rated entity or its related party is participating and the rated entity or its related party generally provides CCXAP with information for the purposes of its rating process.

Regulatory disclosures contained here apply to press release, rating report, and if applicable, the related rating outlook or rating review.

CCXAP's public ratings are available at www.ccxap.com (Rating Results) and may be distributed through media and other means.

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

Jonathan Kwong



Senior Credit Analyst

+852-2860 7133

jonathan_kwong@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



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