

Chengdu Airport Industry and Finance Investment and Development Co., Ltd.

Summary

Issuer Rating	A-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	15 October 2025

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘A-’ global scale Long-term Issuer Credit Rating of Chengdu Airport Industry and Finance Investment and Development Co., Ltd. (“CAIFID” or “the company”); Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating reflects a high possibility that the People’s Government of Shuangliu District (“Shuangliu government”) would provide very strong support to CAIFID if needed, in light of its majority ownership of CAIFID, CAIFID’s strategic position as an important local investment and development company (“LIDC”) that is responsible for infrastructure construction and state-owned asset operation in Shuangliu District (“Shuangliu”), especially in the Chengdu International Airport Business District (“Airport BD”), and the linkage between the Shuangliu government and CAIFID, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Shuangliu government may face negative impact on its reputation and financing activities if CAIFID encounters any operational and financial difficulties.

Shuangliu is one of the municipal districts under the jurisdiction of Chengdu, the capital city of Sichuan Province. Its GDP grew steadily by 6.0% to RMB124.1 billion in 2024. The budgetary revenue also increased by 2.7% to RMB10.5 billion in 2024.

The Stable Outlook reflects our expectation that CAIFID’s strategic importance would remain intact while the Shuangliu government will continue to ensure CAIFID’s stable operation.

Rating Rationale

Government’s Ownership and Supervision: The Shuangliu government indirectly holds the majority ownership of CAIFID through Chengdu Aerotropolis City Development Group Co., Ltd. (“CACD”), via the Chengdu Shuangliu District State-owned Assets Supervision and Administration and Financial Work Bureau (“Shuangliu SASAFB”), and is the actual controller of the company. The Shuangliu government has the final decision-making authority and supervises the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions, via the CACD. In addition, the Shuangliu government has assessment mechanism over the company via Shuangliu SASAFB, and appoints auditors to supervise the operating performance and financial position on a periodic basis via the Audit Bureau of Shuangliu District.

Strategic Importance to Shuangliu and Strategic Alignment: CAIFID remains a key player in Airport BD, primarily dedicated to infrastructure development, urban management and operations in the region. The company is expanding its focus to include transport-related infrastructure, area development, and urban renewal projects. In addition, CAIFID operates a range of self-sustaining commercial ventures such as merchandise sales, modern services, and parking management, contributing actively to the urban development of the area. As a significant entity within Shuangliu, CAIFID supports the region’s economic and social progress through market-driven initiatives. The company’s business strategy and

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Applicable Criteria

China Local Investment and Development Companies Criteria (31 July 2025)

growth are aligned with market dynamics while supporting development objectives in the region.

Ongoing Government Support: CAIFID received operational and financial support from the government. CAIFID received a total subsidy amount of RMB99.6 million from 2022 to the first three months of 2025, mainly including daily operating subsidies. The Shuangliu government, through the Shuangliu SASAFB, continued to inject cash, properties, infrastructure related projects, land assets and other kind of assets into CAIFID to expand its asset size and diversify its business. Given the regional advantage in infrastructure construction and state-owned asset management in Airport BD, CAIFID has advantages to obtain resources and major projects. We believe CAIFID is likely to receive government support in the form of operational and financial subsidies to support its daily business operation.

CAIFID's Financial Matrix and Liquidity Position: CAIFID's total assets showed a continuous growth trend in the past years and reached RMB49.9 billion at end-March 2025, mainly due to the increase in other receivables from related parties and inventories. The non-current assets of CAIFID accounted for 47.0% of the total assets at end-March 2025, and the overall assets were less liquid. CAIFID's financial leverage, as measured by the debt to capitalization ratio, increased to 54.7% and its adjusted debt increased to RMB26.8 billion at end-March 2025, from 38.7% and RMB12.7 billion at end-2023. The company's reliance on non-traditional financing sources remains substantial, which is contributing to elevated financing costs.

The liquidity of CAIFID was moderate. CAIFID had a cash balance of RMB3.1 billion at end-March 2025, compared with its debt due within one year of RMB11.4 billion. Having said that, CAIFID has access to various financing channels, including bank loans and non-traditional financing (e.g., finance leasing), to support its debt repayment and business operations.

Rating Sensitivities

We would consider downgrading CAIFID's rating if (1) there is perceived weakening in support from the local government, particularly due to its reduced strategic importance, or (2) there is a significant reduction of the local government's ownership of CAIFID, or (3) there is a downgrade in our internal credit assessment on the Shuangliu government.

We would consider upgrading CAIFID's rating if there is an upgrade in our internal credit assessment on the Shuangliu government.

Operating Environment

Economic Condition of Shuangliu

Shuangliu is located in the southwest of the central of Chengdu. It is one of the 11 urban districts of Chengdu. Shuangliu's GDP increased to RMB124.1 billion in 2024, from RMB119.7 billion in 2023, and its economic growth rate increased to 6.0%, from 5.9% in 2023. The GDP per capita was RMB81,820 in 2024. After decreasing 15.1% in 2023, Shuangliu's fixed-asset investment rebounded in 2024, increasing by 16.3%. The turnaround was powered by a flood of post-disaster reconstruction funds and an accelerated pipeline of provincial key projects that quickly converted into physical construction activity.

Shuangliu's GDP and Fixed Asset Investment			
(RMB billion)	2022	2023	2024
GDP	113.1	119.7	124.1

-Primary industry (%)	1.3	1.2	1.2
-Secondary industry (%)	35.4	31.2	30.8
-Tertiary industry (%)	63.3	67.6	68.0
GDP growth rate (%)	0.6	5.9	6.0
Fixed asset investment growth rate (%)	8.2	-15.1	16.3
Population (million)	1.5	1.5	1.5
Source: Financial Bureau of Shuangliu, statistical bureau of Shuangliu and Lianhe Global's calculations			
*Estimated by Lianhe Global			

Fiscal Condition of Shuangliu

The budgetary revenue of the Shuangliu government increased to RMB10.5 billion in 2024 from RMB10.2 billion in 2023, with a year-over-year growth rate of 2.7%. The Shuangliu government's fiscal self-sufficiency remained weak, with the budget deficit widening to 49.4% in 2024 from 42.6% in 2023. Additionally, government fund income declined to RMB7.9 billion in 2024 from RMB11.5 billion in 2023, due to a collapse in land-sale proceeds amid the nationwide property slump.

The outstanding debt of the Shuangliu government kept growing in past few years. At end-2024, the Shuangliu government's outstanding debt increased to RMB35.0 billion from RMB30.9 billion at end-2023, mainly due to the issuance of special purpose debts to support local public projects. Its government debt ratio, as measured by the total government debt/aggregate revenue, increased to 136.5% at end-2024 from 108.4% at end-2023.

Shuangliu's Fiscal Condition			
(RMB billion)	2022	2023	2024
Budgetary revenue	9.6	10.2	10.5
Budgetary revenue growth rate (%)	4.9	6.9	2.7
Tax revenue	7.5	8.3	8.4
Tax revenue (% of budgetary revenue)	78.1	81.4	80.0
Government fund income	14.2	11.5	7.9
Transfer payment	4.2	6.5	6.3
Aggregate revenue	28.2	28.5	25.7
Budgetary expenditure	13.1	14.6	15.7
Budget balance ¹ (%)	-37.1	-42.6	-49.4
Government debt ratio (%)	90.5	108.4	136.5
¹ Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%			
Source: Financial Bureau of Shuangliu, statistical bureau of Shuangliu and Lianhe Global's calculations			

Company Profile

CAIFID was established by CACD in 2019 with an initial registered capital of RMB2 billion. The Shuangliu SASAFB holds 90% of the equity of CACD, while the remaining 10% stake is held by the Sichuan Provincial Department of Finance. The paid-in capital of CAIFID was RMB2.98 billion at end-March 2025. The Shuangliu government is the actual controller of the company, while the Shuangliu SASAFB is the company's ultimate controlling shareholder through its majority holding of CACD.

CAIFID is mainly responsible for infrastructure construction and state-owned assets operation in the region with regional advantages. The company's main business includes sales, service business, infrastructure construction, leasing, and parking services etc. CAIFID's revenue increased by 6.6% to RMB3.2 billion in 2024 from RMB3.0 billion in 2023. In the first quarter of 2025, the company recorded revenue of RMB691.0 million. The gross margin showed an increasing trend, recording at 5.8%, 8.6% and 11.6% in 2023, 2024 and the first three months of 2025.



Key Financial Data				
(RMB million)	2022	2023	2024	2025.3
Total Assets	21,056	34,386	45,694	49,932
Equity	11,278	20,214	22,212	22,254
Debt	8,341	12,738	22,258	26,825
Debt / (Debt + Equity) (%)	42.5	38.7	50.1	54.7
Unrestricted cash/ST Debts (x)	0.1	0.1	0.0	0.0
Debt/EBITDA (x)	5.2	108.6	86.5	-
Revenue	1,955	2,975	3,172	691
Operation Profit	85	90	191	28
Gross Margin (%)	6.1	5.8	8.6	11.6
Cash from sales or services/ Revenue (%)	98.6	64.8	106.6	106.6
Source: CAIFID and Lianhe Global's calculations				

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