

CCXAP affirms Yibin Cuiping Industrial Development Group Co., Ltd.'s long-term credit rating at BBB_g, with stable outlook.

Hong Kong, 18 December 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Yibin Cuiping Industrial Development Group Co., Ltd. (“YCID” or the “Company”) at BBB_g, with stable outlook.

The BBB_g long-term credit rating of YCID reflects Cuiping District Government's (1) strong capacity to provide support, and (2) extremely high willingness to provide support to the Company, based on our assessment of the Company's characteristics. Our assessment of Cuiping District Government's capacity to provide support reflects that Cuiping District is the political, economic and cultural center of Yibin City, with strong industrial fundamental.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) important strategic role as the most important state-owned capital operation entity in Cuiping District; and (2) good track record of receiving government support. However, the rating is constrained by the Company's (1) medium exposure to commercial activities; (2) weak asset liquidity; and (3) rising debt amount with relatively high leverage.

Corporate Profile

YCID was established in 2020 held by Yibin Cuiping District State-owned Assets Management Co., Ltd. (“YCSO”). In 2022, the ownership of YCID was transferred to the State-owned Assets Supervision and Administration and Financial Bureau of Cuiping District, Yibin City (“Cuiping SASAB”). After the consolidation of local state-owned enterprises by Cuiping SASAB, the Company has become the most important state-owned capital operation entity in Cuiping District. It is primarily engaged in infrastructure construction projects. It also undertakes commercial activities such as commodity sales, construction of self-operating projects, and asset leasing. As of 30 September 2025, the Company was wholly owned and ultimately controlled by Cuiping SASAB.

Rating Rationale

Credit Strengths

Most important state-owned capital operation entity in Cuiping District. YCID is the most important state-owned capital operation entity in Cuiping District. Its most important subsidiary, YCSO, is mainly responsible for infrastructure construction, commodity sales, construction of self-operating projects, and asset leasing. Given its importance in the urban development of Cuiping District, we believe the Company will not be easily replaced in the foreseeable future.

Good track record of receiving government support. YCID has a good track record of receiving support from the local government in the past few years, including government subsidies, cash injections, and asset injections. Overall, given its important position and contribution to regional industrial development, we believe that the Company will receive ongoing government support to sustain its business operations

Credit Challenges

Medium exposure to commercial activities. YCID is also engaged in commercial activities such as the construction of self-operating projects, commodity sales, property development, and asset leasing. We consider the Company's commercial business risk to be medium, with the proportion of assets related to commercial activities accounting for its total assets of about 20%.

Rising debt amount with relatively high leverage. With the expansion of its construction projects, the total debt has been rising in the past few years. As of 30 September 2025, the total debt increased to RMB43.3 billion from RMB32.5 billion in 2023, with the total capitalization ratio of 51.2%. Moreover, the Company has a certain short-term repayment pressure, with cash to short-term debt ratio of 0.4x.

Weak asset liquidity. The Company has weak asset liquidity, which may undermine its financial flexibility. The Company's total assets mainly consist of inventories and intangible assets, accounting for 70.4% of its total assets as of the end of 2025Q3, which are considered low liquidity.

Funding mainly from banks. Most of the Company's financing was the loans provided by domestic banks. The Company has a sufficient liquidity buffer given its relatively large amount of available credit facilities. However, it has certain amount of non-standard debt, which accounted for about 20% at end-2025Q3.

Rating Outlook

The stable outlook on YCID's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its importance in the development of Cuiping District for the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) Cuiping District 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 improved access to funding channel.

What could downgrade the rating?

The rating could be downgraded if (1) Cuiping District Government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as decreased government support.

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

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