

Credit Opinion

13 November 2025

Ratings	
Category	Corporate
Domicile	China
Rating Type	Solicited Rating
Long-Term Credit Rating	BBB _g +
Outlook	Positive

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Sichuan Gloport Investment Development Group Co., Ltd

Initial credit rating report

CCXAP assigns first-time long-term credit rating of BBB_g+ to Sichuan Gloport Investment Development Group Co., Ltd, with positive outlook.

Summary

The BBB_g long-term credit rating of Sichuan Gloport Investment Development Group Co., Ltd ("SGID" or the "Company") reflects Yibin Municipal Government's (1) very strong capacity to provide support, and (2) high willingness to provide support based on our assessment of the Company's characteristics.

Our assessment of Yibin Municipal Government's capacity to provide support reflects Yibin City's strong industrial fundamental and ongoing economic growth.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) important strategic role in Yibin City, especially Yibin Sanjiang New Area (Lingang Economic Development Technology Zone ("Lingang ETDZ")); and (2) good track record of receiving government support.

However, the rating is constrained by the Company's (1) weak asset liquidity; and (2) rising debt amount with relatively high leverage.

The positive outlook on SGID's rating reflects our expectation that the Company's importance would be strengthened given its large reserves of public projects in Yibin Sanjiang New Area (Lingang ETDZ) with strong regional franchise, which strengthens the local government's willingness to support.

Rating Drivers

- Important development entity in Yibin Sanjiang New Area
- Medium risk exposure to commercial activities
- Good track record of receiving government support
- Rising debt amount with relatively high leverage
- Weak asset liquidity
- Funding mainly from banks

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) Yibin Municipal 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) Yibin Municipal 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.

Key Indicators

	2022FY	2023FY	2024FY	2025H1
Total Asset (RMB billion)	54.9	59.4	58.7	60.7
Total Equity (RMB billion)	14.6	17.2	18.3	17.9
Total Revenue (RMB billion)	3.5	3.7	4.3	2.0
Total Debt/Total Capital (%)	61.0	65.3	63.4	66.5

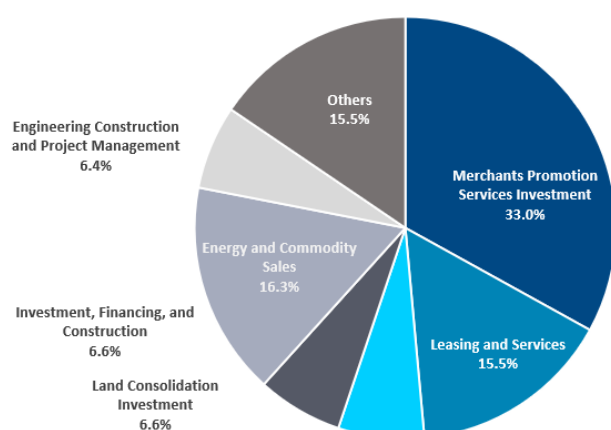
All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

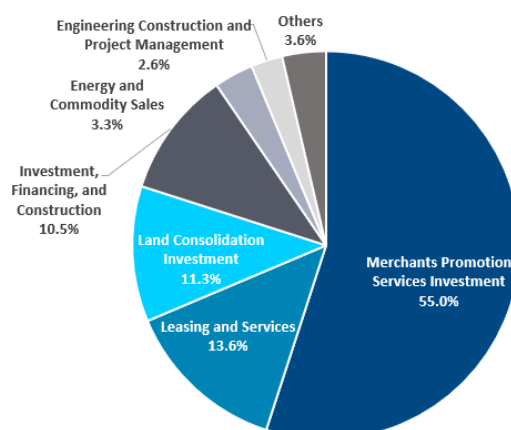
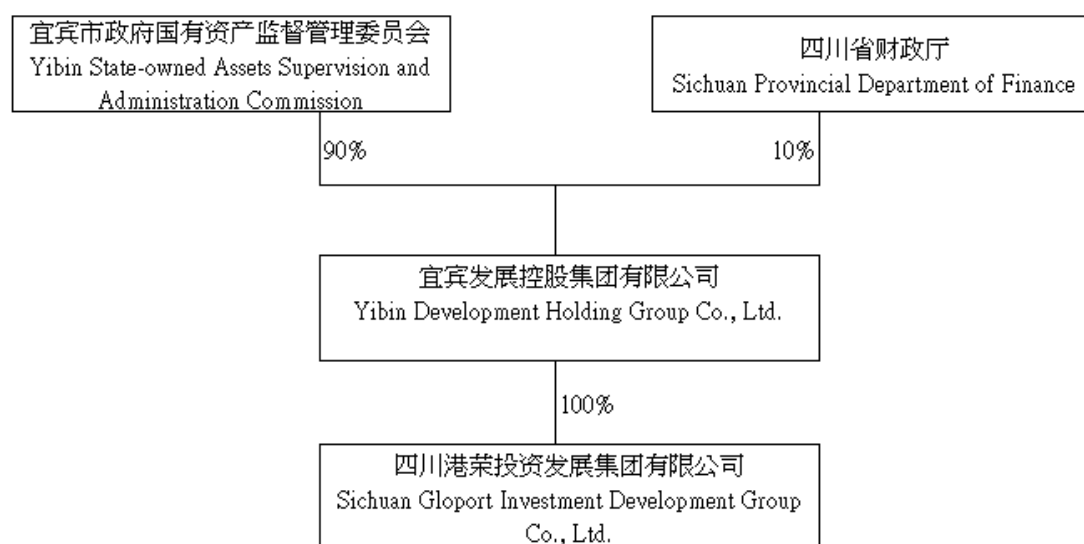
Corporate Profile

SGID was established in 2004, after subsequent changes in shareholders and capital increases, as of the end of June 2025, its registered capital and paid-in capital both amounted to RMB5.0 billion. Yibin Development Holding Group Co., Ltd. ("Yibin Development") holds 100% of the Company's equity, and the Yibin State-owned Assets Supervision and Administration Commission ("Yibin SASAC") is the actual controller of the Company.

The Company serves as the primary development entity for the Yibin Sanjiang New Area (Lingang ETDZ). It is primarily engaged in land consolidation, infrastructure construction, and public housing projects within the Lingang ETDZ. Additionally, it conducts market-oriented businesses such as refined oil sales, real estate development, leasing, and industrial investment.

Exhibit 1. Revenue Structure in 2024

Source: Company information, CCXAP research

Exhibit 2. Profit Structure in 2024**Exhibit 3. Shareholding chart as of 30 June 2025**

Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that the Yibin Municipal Government has a strong capacity to provide support for the Company given Yibin City's strong industrial fundamental and ongoing economic growth.

Sichuan Province is a leading economic province and is recognized as one of the most developed provinces in China. In 2024, Sichuan recorded a gross regional product ("GRP") of RMB6.5 trillion, with a GRP growth rate of 5.7% year-on-year ("YoY"). Its general budgetary revenue increased to RMB563.5 billion, up by 1.9% YoY. In the first nine months of 2025, Sichuan achieved a GRP of RMB4.9 trillion, a YoY increase of 5.6%.

Yibin City is a prefecture-level city in Sichuan Province, with a total area of 13,283 square kilometers. It is an important node city in the "Belt and Road" and the Yangtze River Economic Belt. Yibin City has a well-developed agricultural foundation and is a major agricultural city in Sichuan Province. It has formed a "5+2" pillar industry, such as winemaking, bamboo, tea, silkworm, oil camphor, pig industry and aquaculture. In 2024, Yibin City

recorded a GRP of RMB400.6 billion, ranking 3rd among all prefecture-level cities in Sichuan Province, with a GRP growth rate of 5.0%. In the first 9 months of 2025, Yibin City recorded a GDP of RMB275.4 billion, with a growth rate of 5.3%. Its general budgetary revenue increased from RMB27.6 billion in 2022 to RMB32.4 billion in 2024. However, its government fund revenue decreased from RMB20.8 billion in 2022 to RMB14.3 billion in 2024 due to the property market downturn and land sales fluctuations. Yibin City has relatively weak fiscal self-sufficiency, with average fiscal balance ratio of 46.9% over the past three years. Yibin Municipal Government has an increasing debt burden. In 2024, the government debt was RMB134.8 billion, representing 33.6% of its GRP.

Exhibit 4. Key economic and fiscal indicators of Yibin City

	2022FY	2023FY	2024FY
GRP (RMB billion)	342.8	380.7	400.6
GRP Growth (%)	4.5	7.5	5.0
General Budgetary Revenue (RMB billion)	27.6	31.4	32.4
General Budgetary Expenditure (RMB billion)	61.0	66.4	67.1
Local Government Debt (RMB billion)	90.4	110.2	134.8

Source: Statistic Bureau of Yibin City, CCXAP research

Yibin Sanjiang New Area is the first provincial-level new area approved by the Sichuan Provincial Government, with a planned area of 389 square kilometers and an actual jurisdiction area of 420 square kilometers. Yibin Lingang ETDZ is the core development area of Yibin Sanjiang New Area with a total planned area of 213 square kilometers. In 2024, Lingang ETDZ ranked 26th nationwide and 1st in western China in the comprehensive development assessment of national-level economic development zones. Relying on the local industrial foundation, it develops around the leading industries such as power batteries, smart terminals, high-end equipment manufacturing, and medical devices. In 2024, the GRP of Yibin Sanjiang New Area exceeded RMB60.0 billion, with a YoY growth of 9.3%. The general budgetary revenue amounted to RMB4.3 billion.

Government's Willingness to Provide Support

Important development entity in Yibin Sanjiang New Area (Lingang ETDZ)

As an important development and construction entity in Yibin Sanjiang New Area (Lingang ETDZ), the Company plays a vital role in delivering various public infrastructure projects in the region, including infrastructure construction, land development, and shantytown renovation projects, with strong regional franchise.

The Company conducts infrastructure construction mainly by signing agency construction agreements with the entrusted parties, normally government institutions in Yibin City. The entrusted parties would pay construction management fee to the Company. The construction management fee is calculated based on the construction cost plus an agreed return. As of 30 June 2025, the Company had 6 major infrastructure construction projects under construction, with a total planned investment amount of RMB4.4 billion and an outstanding amount of RMB3.0 billion, which ensures the sustainability of the business, but exerts large capital expenditure pressure to Company.

SGID also undertakes land consolidation business within Yibin Lingang ETDZ. The Company was mandated by the Yibin Lingang ETDZ Management Committee to invest in a number of primary land development projects undertaken by the Yibin Lingang ETDZ Land Reserve Centre. After the land is transferred, the Yibin Lingang ETDZ management committee will settle accounts with the company in installments and return the company's

investment cost for the corresponding land consolidation project. As of 30 June 2025, the Company completed land consolidation project with an invested amount of RMB7.4 billion and received repurchase amount of RMB3.2 billion. However, the sustainability of the land consolidation business is uncertain, given no land consolidation project under construction or planning.

The Company also conducts shantytown renovation business under government procurement service model. The Company entered government procurement service agreements with Yibin Lingang Housing Administration Bureau, which would pay the Company the project procurement service funds (including the project investment amount and investment returns) in 15-year installments. The procurement funds have been incorporated into the fiscal budget management of the Sanjiang New Area (Lingang ETDZ).

Medium exposure to commercial activities

SGID is also engaged in commercial activities such as energy sales, construction of self-operating projects, property development, industrial investment. We consider SGID's commercial business exposure to be medium as its market-driven businesses account for around 20% of its total assets.

The Company engages in the construction of self-operating projects, such as industrial parks. The Company constructs self-operating projects mainly with self-raised funds and rely on operating income to achieve breakeven. However, the income of self-construction projects is subject to the changes of operating performance and market landscape. As of 30 June 2025, the Company had 2 major self-operating projects under construction, with an estimated total investment of RMB2.2 billion and an invested amount of RMB2.7 billion.

The Company participates in the property development with self-raised funds. As of 30 June 2025, the Company completed 3 property development projects, with a total saleable area of 748.1 thousand square meters, of which 578.3 thousand square meters have been sold. In addition, the Company had 1 property development project under construction, with a total investment amount of RMB2.0 billion and an outstanding amount of RMB1.3 billion. Given that there are no property projects under planning, the sustainability of this segment is subject to uncertainty. In addition, the property development business is susceptible to local property market conditions and policies.

The Company also engages in energy sales business, including the sales of refined oil and natural gas. The refined oil sales primarily adopt two models: retail and direct project sales. Direct project sales mainly target construction companies, independent gas stations, and other bulk purchasers, while retail operations are primarily conducted through company-operated gas stations. As of 30 June 2025, the Company operated a total of 8 gas station outlets, primarily located in the Sanjiang New Area and Cuiping District. In the natural gas sales segment, the Company partners with Sichuan Energy Base Investment Co., Ltd. to operate refueling stations.

The Company's industrial investments are primarily directed towards enterprises or funds that align with the development orientation of the Sanjiang New Area (Lingang ETDZ). Regarding fund investments, as of 30 June 2025, the Company had participated in the establishment of 6 funds with a total committed capital of approximately RMB3.5 billion. Most of these funds have incorporated protective clauses such as downside protection, valuation adjustment mechanisms, and buyback agreements. In terms of equity investments, most of the invested projects have not yet reached their exit period. The industrial investments are still in its nurturing phase, with a limited scale of realized returns. We will maintain continuous monitoring of the operational performance and return realization of these investees.

The Company also participates in engineering construction, property services, and property leasing businesses. However, the scale of these businesses is small, making a limited contribution to the Company's revenue and profit.

Good track record of receiving government support

SGID 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. From 2022 to 2025H1, the Company received government support of RMB3.3 billion, including cash injection, asset injection, and special bonds converted into capital. In addition, the Company's shareholder, Yibin Development, is the largest and most important state-owned capital investment, financing and comprehensive operation management platform in Yibin City. It holds controlling stakes in several listed companies, including Yibin Wuliangye Co., Ltd., and boasts high-quality assets and strong competitiveness. Overall, given its important position and contribution to regional industrial development, we believe that the Company will receive ongoing support from the local government and its parent company.

Rising debt amount with high leverage

With the expansion of its construction projects, the total debt has been rising in the past few years. As of 30 June 2025, the total debt increased to RMB35.6 billion from RMB28.4 billion at end-2022. Its debt leverage remained high as the total capitalization ratio increased from 64.4% to 66.5% over the same period. Moreover, the Company has a certain short-term repayment pressure. As of 30 June 2025, the Company's short-term debt amounted to RMB16.0 billion, accounting for 45.1% of its total debt; its cash to short-term debt ratio was only 0.2x. Given the Company's relatively large capital expenditure on construction projects, we expect the Company to maintain high debt growth and high debt leverage over the next 12-18 months.

Weak asset liquidity

The Company has weak asset liquidity, which may undermine its financial flexibility. The Company's total asset mainly consists of non-current assets and receivables, accounting for 80.0% of its total assets as of 30 June 2025. Receivables are mainly unreceived payments from the agencies of government or other state-owned companies, while non-current assets are mainly construction in progress, and investment properties, all of which are consider low liquidity. Moreover, the Company's total restricted asset was RMB19.9 billion as of 30 June 2025, accounting for 32.9% of its total assets, which mainly consists of investment properties, inventory and cash that were used for pledge.

Funding mainly from banks

SGID has a moderated access to capital. As of 30 June 2025, about 72.5% of the Company's financing was the loans provided by domestic banks, with a financing cost around 4.78%. The Company has a sufficient liquidity buffer given its relatively large amount of available credit facilities. As of 31 December 2024, it held a total bank credit facility of RMB21.3 billion and available bank credit facility of RMB2.9 billion. In addition, the Company has access to both offshore and onshore debt capital market. In 2025, the Company issued 2 tranches of MTN with a total issuance amount of RMB1.0 billion. As of 30 September 2025, the Company had outstanding offshore bonds of around RMB2.0 billion. The Company has relatively low reliance on non-standard financing, accounting for lower than 10% of total debt.

In addition, as a wholly-owned subsidiary of Yibin Development, the Company can obtain strong support in terms of financing channels and financing guarantees.

Medium contingent risks arising from the external guarantee

In terms of contingent liability, as of 30 June 2025, the Company's external guarantee amount was RMB6.2 billion, accounting for 34.3% of its net assets. Although most of the external guarantees are provided to local state-owned enterprises in Yibin City, some of the external guarantees are provided to private-owned enterprises. Some of the guarantees have been listed as dishonest judgment debtors, but counter-guarantee measures have been set up for all of them, and therefore contingent risk would be controllable.

ESG Considerations

SGID bears environmental risks through its infrastructure projects. Such risks could be mitigated by conducting environmental studies and detailed planning before the commencement of the projects and close supervision during construction.

SGID bears social risks as it implements public policy initiatives by building public infrastructure in Yibin Municipal. 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.

SGID's governance considerations are also material as the Company is subject to oversight by the Yibin Municipal Government and has to meet several reporting requirements, reflecting its public-policy role and status as a government-owned entity.

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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