

Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Sichuan Gloport Investment Development Group Co., Ltd.; Outlook Positive

HONG KONG, 13 November 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Sichuan Gloport Investment Development Group Co., Ltd. (“SGID” or “the company”). The Outlook is Positive.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Yibin City (“the Yibin government”) would provide strong support to SGID if needed. This mainly considers the Yibin government’s indirect vast majority ownership of SGID, SGID’s strategic position as an important local investment and development company (“LIDC”) in Sichuan’s Yibin City (“Yibin”). The linkage between the local government and SGID is strong, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the local government may face significant negative impact on its reputation and financing activities should SGID encounter any operational or financial difficulties.

Yibin is a prefecture-level city of Sichuan Province and a major hub port of Yangtze River. In 2024, Yibin’s GDP grew steadily by 5.0% to RMB400.6 billion, while its budgetary revenue increased by 3.7% to RMB32.4 billion.

The Positive Outlook reflects our expectation that SGID’s strategic importance would be strengthened given it is the key development and operation entity in Sanjiang New Area, which is a development priority of the Yibin government in the coming years. Its Yibin Lingang Economic and Technological Development Zone (“Lingang ETDZ”) is a national-level development zone and one of China’s major production bases for power batteries. It plays an increasingly vital role in driving the city’s economic growth and industrial upgrading. Besides, the Yibin government will continue to ensure SGID’s stable operation.

Key Rating Rationales

Government’s Ownership and Supervision: SGID is wholly owned by Yibin Development Holding Group Co., Ltd. (“YDH”), the flagship LIDC in Yibin. The State-owned Assets Supervision and Administration Commission of the Yibin government (“Yibin SASAC”) holds 90% shares of YDH; Sichuan Provincial Department of Finance holds the remaining 10%. Yibin SASAC is the actual controller of SGID.

The Yibin government has strong control and supervision over the company, including management appointment, decision on its strategic development and investment plan and supervision of its major funding decisions. In addition, the Yibin government has assessment mechanism over the company and it appoints auditors to supervise the operating performance and financial position on a periodic basis.

Strategic Importance and Strategic Alignment: SGID is an important LIDC responsible for project construction and industry development of Yibin's Sanjiang New Area, especially in Lingang ETDZ. The company undertakes major projects, including land consolidation, shantytown renovation, industrial parks, infrastructure, and public facilities. It also provides financing services for enterprises introduced into Sanjiang New Area to promote local industrial development. SGID's business operations and development are closely aligned with government policies.

Strong Government Support: SGID received ongoing operational and financial support from the Yibin government and YDH. SGID received capital injection in forms of cash, project funds and state-owned assets totaling RMB3,285 million between 2022 and the first half of 2025. The local government also provided operational subsidies of RMB649 million over the same period. Given that SGID's strategic importance in Yibin, we believe SGID is likely to receive timely government support.

SGID's Financial and Liquidity Position: SGID's total asset increased steadily to RMB60.7 billion at end-June 2025 from RMB54.9 billion at end-2022 as it actively participated in Yibin's project development. The company relied on both government support and borrowings to fund its asset expansion. Hence, SGID's unadjusted financial leverage, measured by debt-to-capitalization, stayed between 62% and 67%. At end-June 2025, its financial leverage was 68.4% after adjusting perpetual bonds to long-term debt from equity.

SGID's short-term debt servicing pressure is high. At end-June 2025, the company held unrestricted cash of RMB3.5 billion, compared to RMB12.5 billion of short-term debt. Nevertheless, SGID maintains access to diverse funding sources, including bank loans, bond issuances, and other non-traditional channels to support ongoing operations. As of end-2024, the company had total bank facilities of RMB21.3 billion, of which RMB2.9 billion was available. In addition, we expect the company to roll-over its short-term bank borrowings (end-2024: RMB3.3 billion) and receive timely government support if needed.

Rating Sensitivities

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

We would consider upgrading SGID's rating if (1) there is strengthened support from the Yibin government, or (2) there is an upgrade in our internal credit assessment on the Yibin government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development

companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)
The methodology can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party. None of the aforementioned entities nor its related parties participate in the rating process aside from providing information requested by Lianhe Global.

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