

Sichuan Gloport Investment Development Group Co., Ltd

Summary

Issuer Rating	BBB+
Outlook	Positive
Location	China
Industry	Local Investment and Development Companies
Date	13 November 2025

Lianhe Ratings Global Limited (“Lianhe Global”) has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Sichuan Gloport Investment Development Group Co., Ltd. (“SGID” or “the company”); Outlook Positive

Summary

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 Yibin 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.

Rating Rationale

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 Alignment and Importance: 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.

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Applicable Criteria

[China Local Investment and Development Companies Criteria \(31 July 2025\)](#)

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.

Operating Environment

Economic Condition of Yibin

Yibin's Economy Condition			
(RMB billion)	2022	2023	2024
GDP	343.8	380.7	400.6
-Primary industry (%)	11.4	9.3	9.1
-Secondary industry (%)	50.0	48.8	48.5
-Tertiary industry (%)	38.6	41.9	42.4
GDP growth rate (%)	4.5	7.5	5.0
Fixed asset investment growth rate (%)	10.2	-9.9	-18.4
Population (million)	4.6	4.6	4.6

Source: Statistical Bureau of Yibin and Lianhe Global's calculations

Yibin is a prefecture-level city of Sichuan Province and a major hub port of Yangtze River. Its economy was dominated by Chinese liquor or Baijiu, as the home of Wuliangye, one of China's most renowned Baijiu brands. In 2024, Yibin recorded a GDP of RMB 400.6 billion. After a pandemic-induced downturn, its GDP growth rebounded to 7.5% in 2023, outpacing both the national and provincial average, before moderating to 5.0% in 2024. However, Yibin

experienced a noticeable decline in fixed asset investment in both 2023 and 2024. This was mainly attributable to subdued real estate investment amid the sector's downturn.

Located at the confluence of Yangtze River, Jinsha River and Minjiang River and the core urban area of Yibin, Lingang ETDZ is national economic development zone. It is a major production base for power battery in China, hosting leading manufacture such as CATL. Lingang ETDZ is also strongly promoting the development of new energy and digital industries to diversify Yibin's industrial structure.

Fiscal Condition of Yibin

Yibin's Fiscal Condition			
(RMB billion)	2022	2023	2024
Budgetary revenue	27.6	31.4	32.4
Budgetary revenue growth rate (%)	9.8	13.8	3.3
Tax revenue	16.2	18.5	19.1
Tax revenue (% of budgetary revenue)	58.9	58.8	58.8
Government fund income	21.7	19.9	16.6
Transfer payment	29.3	29.6	31.8
Aggregate revenue	81.3	84.8	86.4
Budgetary expenditure	61.0	66.4	67.1
Budget balance ¹ (%)	-121.2	-111.4	-107.0
Government debt ratio (%)	111.1	129.9	156.0
¹ Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%			
Source: Finance Bureau of Yibin and Lianhe Global's calculations			

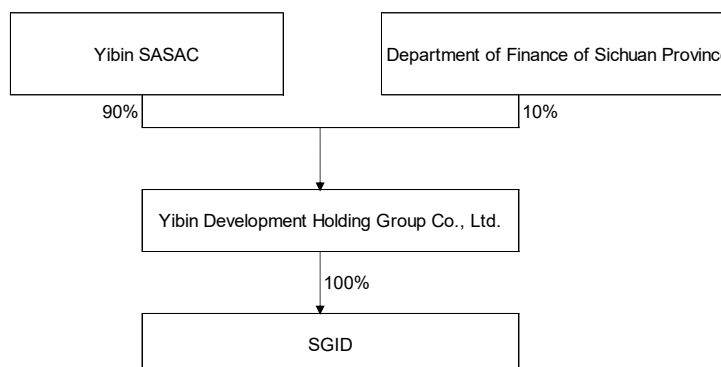
Yibin's general budgetary revenue increased from RMB 27.6 billion in 2022 to RMB 32.4 billion in 2024. The city's fiscal position continued to improve, with the budget deficit ratio narrowing from 121.2% to 107.0%. State-owned capital operation income also rose notably, driven by the strong performance of Wuliangye and other major SOEs. However, the weak property pressure subdued Yibin government's government-fund income, which mainly generated by land sales.

Yibin's outstanding government debt has continued to rise in recent years, climbing from RMB 91.9 billion at end-2022 to RMB 135.9 billion at end-2024, primarily as a result of new special bond issuances supporting local public projects. The government debt ratio (total government debt to aggregate revenue) increased to 156.0% by end-2024 from 111.1% at end-2022.

Company Profile

Ownership Structure

SGID was established in June 2004 with an initial registered capital of RMB18.5 million, funded by Yibin SASAC. After an array of equity transfers and capital injections, its paid-in capital was enlarged to RMB5 billion by end-June 2025, wholly owned by YDH, the flagship LIDC in Yibin, and the controlling shareholder of Wuliangye Yibin Co., Ltd. (000858.SZ). SASAC ultimately hold the 90% ownership of SGID through YDH, while Sichuan Provincial Department of Finance holds the remaining 10% ownership of YDH. The Yibin SASAC is the actual controller of SGID.

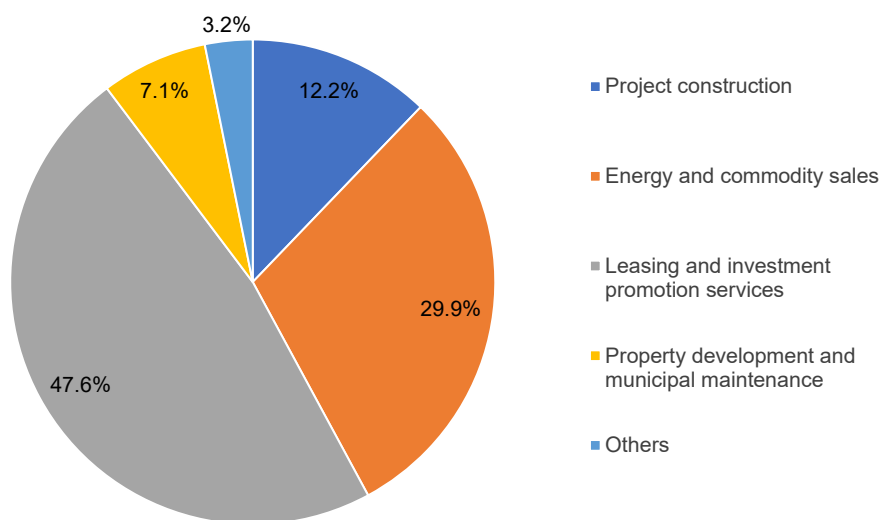


Source: The company

Revenue Breakdown

SGID mainly participates in project construction and property development activities in Yibin. It also provides financing services for enterprises introduced into Sanjiang New Area. It is the main distributor of refined oil, LNG, and LPG within the area. In addition, SGID has expanded into property leasing and management, cultural tourism businesses to diversify its income sources. SGID realized total revenue of RMB4.1 billion, 3.7 billion, RMB4.3 billion and RMB2.0 billion in 2022, 2023, 2024 and the first half of 2025, respectively. Its overall gross profit margin stayed at a high level between c. 50% and 60% over the same period.

Total revenue: RMB2.0 billion in the first half of 2025



Source: The company and Lianhe Global's calculations

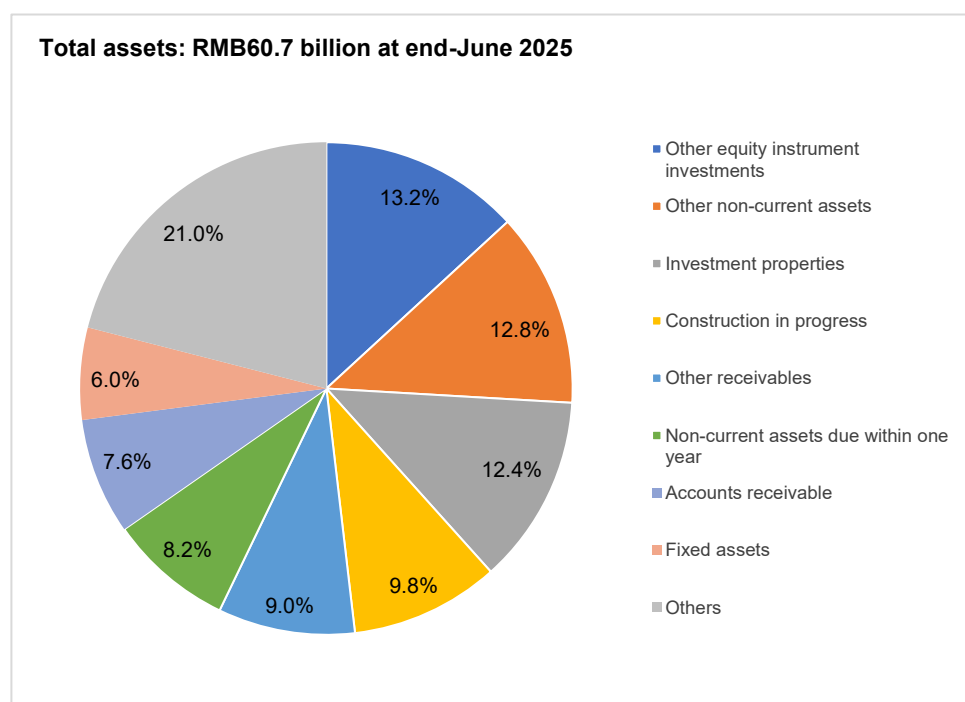
SGID undertakes land consolidation, shantytown renovation, industrial parks, infrastructure, and public facilities projects in Sanjiang New Area. In addition to infrastructure, SGID develops residential property with price-cap and sells to qualified buyers, such as relocation households and introduced talents. The company typically operates under an investment-construction model, acting as the project owner and carrying out both investment and construction activities for designated projects. SGID recognizes a 15% annual investment

return from the local government, calculated based on the total construction and financing costs during the construction period, as well as rental income generated during the operation period. This model delivers a high gross margin, often approaching 100% as costs are reimbursed by the local government.

SGID also enters into agency construction agreements with local government authorities and other companies. SGID has a robust project pipeline. As of the end of June 2025, SGID had major projects under construction with a total planned investment of RMB4.4 billion, of which RMB3.0 billion was scheduled for investment over the next two to three years. However, this level of investment could impose significant capital expenditure pressure on the company.

In order to attract investment to the Sanjiang New Area, SGID provides financing support to introduced enterprises through debt financing, fund investments, and equity participation. Its investment priorities include robotics and intelligent equipment manufacturing, Internet of Things and big data, artificial intelligence, industrial internet, next-generation information technology, and third-generation semiconductors and their applications. The company has generated substantial interest income from its debt investments, while most fund and equity investments remain in the early stages without exit realization, resulting in limited return.

Assets Breakdown



Source: The company and Lianhe Global's calculations

SGID's asset liquidity appears relatively constrained, with a significant concentration in less liquid categories. The company had a large amount of account receivables and other account receivables, which added up to RMB10.1 billion, accounting for 16.6% of total assets at end-June 2025. They were primarily due from local government agencies and their repayment schedules are highly subject to the fiscal conditions of the local government. Notably, inventories (4.3%), investment properties (12.4%) and construction in progress (9.8%) collectively account for over a quarter of its asset base. These project related-assets are typically characterized by a prolonged monetization cycle, which could strain short-term financial flexibility. In addition, the company's investment promotion service generated



sizable debt, fund, equity instrument investments and other financial assets, totalling RMB10.7 billion, which are long-term in nature. In addition, the return of such assets is highly subject to the performance of invested companies.

Key Financial Data				
(RMB million)	2022	2023	2024	2025.6
Total Assets	54,894	59,358	58,733	60,692
Equity	17,591	18,953	18,303	17,928
Debt	27,573	31,101	31,385	33,204
Debt / (Debt + Equity) (%)	61.1	62.1	63.2	64.9
Unrestricted cash/ST Debts (x)	0.6	0.3	0.1	0.3
Debt/EBITDA (x)	13.4	14.5	14.4	-
Revenue	4,103	3,739	4,283	2,026
Operation Profit	306	252	286	166
Gross Margin (%)	48.5	59.1	58.4	53.2
Cash from sales or services/ revenue (%)	55.9	68.4	59.2	87.7
<i>Source: The company and Lianhe Global's calculations</i>				

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