Mianyang Science Technology City Development Investment (Group) Co., Ltd.

Summary	
Issuer Rating	BBB+
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	24 March 2026

Lianhe Ratings Global Limited ("Lianhe Global") has affirmed 'BBB+' global scale Long-term Issuer Credit Rating of Mianyang Science Technology City Development Investment (Group) Co., Ltd. ("MSTCD" or "the company"); Issuer Rating Outlook is Stable

Summary

The Issuer Credit Rating reflects a high possibility that the People's Government of Mianyang City, Sichuan Province ("Mianyang government") would provide strong support to MSTCD if needed, in light of its majority ownership of MSTCD, MSTCD's strategic importance as the key local investment and development company ("LIDC") that is responsible for infrastructure construction and industrial development in Mianyang City ("Mianyang"), and the linkage between the Mianyang government and MSTCD, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, we believe that the local government has a strong willingness to ensure the issuer's business and financial viability in order to safeguard its reputation and local financing activities.

Mianyang is a prefecture-level city under the jurisdiction of Sichuan. Its GDP grew steadily by 6.5% to RMB460.0 billion in 2025.

The Stable Outlook reflects our expectation that MSTCD's strategic importance would remain intact while the Mianyang government will continue to ensure MSTCD's stable operation.

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Applicable Criteria

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

Rating Rationale

Government's Ownership and Supervision: The Mianyang government holds the majority ownership of MSTCD through the Mianyang State-owned Assets Supervision and Administration Commission ("Mianyang SASAC"). Other shares are held by China Agricultural Development Key Construction Fund Co., Ltd. and Sichuan Provincial Department of Finance. The Mianyang government is the actual controller of the company. It 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. Investment approvals remain subject to tiered approval procedures, particularly for out-of-city investments, while financing approvals have been delegated to the board under a filing-based mechanism. In addition, the Mianyang government has assessment mechanism over the company and supervises the operating performance and financial position through regular reporting, its state-owned asset monitoring platform and periodic on-site audits.

Strategic Importance and Strategic Alignment: MSTCD, as the key LIDC in Mianyang, is primarily responsible for the investment, development and operation of infrastructure projects, as well as industrial parks within the city. As the most important state-owned enterprise responsible for industrial investment in Mianyang, the company covers investment attraction and investment in industries such as intelligent manufacturing, physical manufacturing, steel, aerospace, rare earths, and defense industries. The company

has also established a wholly-owned industrial investment subsidiary, which serves as the main vehicle for a municipal-level industrial investment fund. Its subsidiaries are also involved in advanced materials-related projects supported by policy bank financing. MSTCD is also involved in real estate construction and sales, management of exhibition and tourism businesses, urban services, and financial development. The company plays an important role in promoting the economic and social development of the region. Its business operation and development have been aligned with the government's development plans.

Strong Government Support: MSTCD received operational and financial support from the Mianyang government. MSTCD received government subsidies of RMB893 million, RMB1,071 million and RMB1,288 million in 2023, 2024 and the first nine months of 2025, respectively. The Mianyang government continued to inject capital, project-related assets, equities of other companies and other kinds of assets into MSTCD to expand its asset size and diversify its business. Besides, the Mianyang government will repurchase some infrastructure projects and provide policy supports to MSTCD to ensure its business operation. Given that it is the key LIDC in Mianyang, MSTCD has an advantage in acquiring related resources and major projects. We believe MSTCD is likely going to receive government support to support its daily business operation.

MSTCD's Financial and Liquidity Position: MSTCD's total assets showed a continuous growth trend in the past few years and reached RMB97.4 billion at end-September 2025 from RMB93.1 billion at end-2024. The current assets of MSTCD accounted for 52.9% of the total assets at end-September 2025, yet the overall asset liquidity was moderately weak due to large amount of inventory, investment properties and receivables. These assets usually take a long time to monetize due to the protracted construction and payment collection period. MSTCD's financial leverage, as measured by debt/capitalization, slightly decreased to 69.9% at end-September 2025 from 70.3% at end-2024. Its debt structure improved, with long-term debt's proportion increasing to 58.3% at end-September 2025 from 50.6% at end-2024, thus the company's short-term debt pressure was alleviated to some extent.

MSTCD's liquidity improved compared with the previous year, but remained reliant on external financing to some extent. At end-September 2025, MSTCD had a cash balance and unused credit facilities of RMB8.1 billion (including restricted cash of RMB5.2 billion) and RMB19.4 billion, respectively, compared with its debt due within one year of RMB21.2 billion. Having said that, MSTCD has access to various financing channels, including bank loans, bond issuance and non-traditional financing, to support its debt repayment and business operations.

Rating Sensitivities

We would consider downgrading MSTCD'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 MSTCD, or (3) there is a downgrade in our internal credit assessment on the Mianyang government.

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

Operating Environment

Economic Condition of Mianyang

Mianyang is a prefecture-level city under the jurisdiction of Sichuan Province. Renowned as the "City of Science and Technology", Mianyang is the home to many research institutions, universities and high-tech companies. In addition, Mianyang enjoys abundant mineral resources and tourism resources. The GDP of Mianyang was c. RMB434.4 billion in 2024, which was ranked 2nd (behind Chengdu) out of 21 cities (prefectures) within Sichuan Province. The year-over-year economic growth rate recorded 7.0% in 2024, indicating that Mianyang continued to maintain high-speed development driven by the rapid expansion of technology industry.

Mianyang's GDP and Fixed Asset Investment

(RMB billion)	2022	2023	2024
GDP	362.7	403.9	434.4
-Primary industry (%)	10.5	9.7	8.0
-Secondary industry (%)	41.8	39.6	41.7
-Tertiary industry (%)	47.7	50.7	50.3
GDP growth rate (%)	5.0	8.0	7.0
Fixed asset investment growth rate (%)	11.3	8.0	6.0
Population (million)	4.9	4.9	4.9

Source: Financial Bureau of Mianyang, statistical bureau of Mianyang and Lianhe Global's calculations

Fiscal Condition of Mianyang

The Mianyang government's budgetary revenue increased to RMB21.7 billion in 2024 from RMB20.1 billion in 2023. However, its fiscal self-sufficiency capacity is still weak. Therefore, the Mianyang government highly relies on the government fund income and transfer payments from higher governments, with the latter contributing 44.5% to aggregate revenue in 2024. The government fund income of Mianyang remained at RMB20.5 billion in 2024, slightly down from RMB 20.6 billion in 2023, owing to the stable property market.

The outstanding debt of the Mianyang government continued to grow as the Mianyang government borrowed heavily in special debts to support its public projects. Its fiscal debt ratio, as measured by total government debt outstanding/aggregate revenue, had surged to 168.2% at end-2024 from 142.9% at end-2023.

Mianyang's Fiscal Condition

(RMB billion)	2022	2023	2024
Budgetary revenue	15.9	20.1	21.7
Budgetary revenue growth rate (%)	14.0	9.5	7.5
Tax revenue	8.4	11.3	11.3
Tax revenue (% of budgetary revenue)	52.4	56.2	52.3
Government fund income	20.5	20.6	20.5
Transfer payment	30.5	33.3	34.3
Aggregate revenue	**67.3**	**74.6**	**77.1**
Budgetary expenditure	49.1	57.8	52.7
Budget balance[1] (%)	**-208.2**	**-186.7**	**-143.3**

*[1] Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%*

Source: Financial Bureau of Mianyang, statistical bureau of Mianyang and Lianhe Global's calculations

Company Profile

MSTCD was established in July 2001 with a registered capital of RMB10 million, funded by Mianyang Science and Technology City Science and Education Venture Park Management Committee. After a series of capital injections and equity transfers, at end-2024, MSTCD's registered and paid-in capital both recorded at RMB1.622 billion.

MSTCD, as the key city-level industrial investment platform in Mianyang, is primarily responsible for infrastructure investment and development, industrial park operations, and investment attraction across industries including intelligent manufacturing, steel, aerospace, new materials, rare earths, and defence. The company is also involved in real estate construction and sales, exhibition and tourism, urban services, and financial development.

Key Financial Data (RMB million)	**2022**	**2023**	**2024**	**2025.9**
Total Assets	64,787	82,853	93,129	97,397
Equity	16,685	23,330	23,932	25,282
Debt	38,691	48,158	56,600	58,653
Debt / (Debt + Equity) (%)	69.9	67.4	70.3	69.9
Unrestricted cash/ST Debts (x)	0.1	0.1	0.1	0.1
Debt/EBITDA (x)	27.6	28.2	33.9	-
Revenue	12,768	15,457	12,799	9,399
Operation Profit	151	189	192	81
Gross Margin (%)	3.9	3.5	4.8	4.9
Cash from sales or services/ Revenue (%)	101.4	97.1	134.6	121.1

Source: MSTCD and Lianhe Global's calculations

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