

Science City (Guangzhou) Financial Leasing Co., Ltd.

Summary

Issuer Rating	BBB
Outlook	Stable
Location	China
Industry	NBFI
Date	16 June 2026

Lianhe Ratings Global Limited (“Lianhe Global”) has affirmed ‘BBB’ global scale Long-term Issuer Credit Rating of Science City (Guangzhou) Financial Leasing Co., Ltd. (“SCFL”); Issuer Rating Outlook is Stable

Summary

The Issuer Rating reflects SCFL’s franchise in Guangdong Province’s financial leasing market, especially in Guangzhou Economic and Technological Development District/Huangpu District (“Guangzhou Development District”) and Guangzhou Science City (“Science City”), sound business strategy, sufficient capital adequacy and good access to funds, as well as the strong support received from Science City (Guangzhou) Investment Group Co., Ltd. (“SCI Group”), its sole shareholder. The rating also considers its concentrated business profile and limited operating scale.

The Stable Outlook reflects our expectation that SCFL will maintain its current market position in the Science City while the SCI Group will continue to ensure SCFL’s stable operation.

Rating Rationale

Key Finance Lease Company in Science City with Strong Market Position and Pivotal Strategic Role: SCFL remains as a prominent finance leasing entity in Guangzhou Development District, with its operations mainly concentrated in Science City. It’s distinguished by its clear functional distribution, serving the local economy through leasing services. As a subsidiary of the SCI Group, it’s pivotal in the local financing leasing industry. Leveraging the SCI Group’s advantages, it focuses on Guangzhou Development District, extending to the Great Bay Area. Its investments cover high-tech sectors like smart manufacturing, new energy, biomedicine, and new-generation IT, fostering synergy between finance and industry for mutual growth and development.

Strong External Support from SCI Group: SCFL is expected to receive strong support from SCI Group to ensure its stable operation, considering SCI Group’s full ownership of SCFL, strong integration and linkage and the potential impact on SCI Group’s reputation. Following the change of shareholding structure in December 2025, SCI Group now directly owns 100% shares of SCFL, and SCFL is the only financial lease company under SCI Group. SCI Group has strong control over SCFL, including management appointments and decisions on major investment and funding plans. SCI Group injected RMB500 million in cash into SCFL in 2024, increasing the company’s registered capital to RMB1.8 billion from RMB1.3 billion and enhancing its capacity to expand its leasing business. Besides, SCI Group provides financial guarantees to most of SCFL’s debt, significantly increasing SCFL’s access to funds.

SCI Group is primarily responsible for project development, industrial investment and city operation within the region. SCI Group received ongoing operational subsidies from the local government in relation to providing public services. The local government also injected assets and cash capital into SCI Group to enhance its equity base, enlarging its registered capital to RMB6.06 billion in early 2026. Considering the high strategic importance of SCI Group in promoting economic and social development, and the relatively strong economy and fiscal

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Applicable Criteria

*Non-Bank Financial Institutions
Criteria (21 November 2023)*

conditions of Guangzhou Development District, we believe SCI Group's ability to provide support is high.

Rebounded Revenue Amid Challenging Operating Environment: SCFL's total revenue rebounded to RMB439 million in 2025 from RMB407 million in 2024, despite eased banking credit policies reducing demand for leasing services in specific sectors and narrower interest spreads. Over 99% of the company's income derives from leasing interests. Its investments were concentrated in smart manufacturing, transportation, livelihood and Infrastructure, construction and business services (78.45% combined) at end-2025, with moderate industry diversification overall. Strategic risk reduction prioritizes long-term stability over short-term gains, aligning with regulatory compliance and asset quality preservation.

Profitability and Asset Quality Holds Steady: SCFL's annualized return on asset remained stable at 0.7% in 2025, while its annualized return on equity decreased slightly to 3.1% in 2025 from 3.3% in 2024. SCFL's asset quality remains stable. The delinquency rate and defective rate reached 0.04% and 0.11% at end-2025, almost the same compared with those figures at end-2024. In addition, the company's special mention assets reached RMB666.4 million at end-2025, down from RMB716.4 million at end-2024. Given the company's prudent risk management policy to reduce its exposure to high-risk segments, we expect the asset quality to be maintained stable in the following years.

Good Access to Fundings: Following a RMB500 million cash capital injection from SCI Group in 2024, SCFL's capital position strengthened. In addition, SCFL has good access to various financing channels, mainly including bank borrowings, as well as issuance of bonds and asset-backed securities. SCI Group has provided financial guarantees for most of its bank borrowings or promised to reimburse the any losses for ABS investors, which helps lower SCFL's financing costs and improve the stability of its fundings.

Rating Sensitivities

We would consider downgrading SCFL's rating if there is (1) significant deterioration in its capital adequacy, or (2) notable increase in impaired loans, or (3) weakened funding structure with notable duration mismatch and tightened liquidity, or (4) a significant reduction of SCI Group's shareholding with weakened operational and financial support from SCI Group's, or (5) significant deterioration in the access to the bank and/or capital market financings.

We would consider upgrading SCFL's rating if it were to further improve its 1) franchise with bigger business scale and wider market coverage, 2) funding diversity, 3) capital buffer to support business growth and withstand economic downturn, and 4) strategic alliance with SCI Group with greater business and financial linkages.

Company Profile

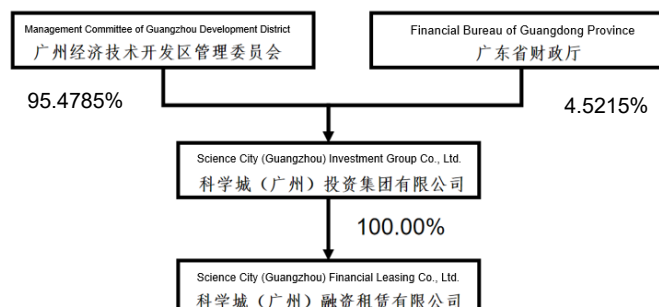
SCFL was established on July 5, 2013, as a Sino-foreign joint venture between Guangdong Zhongkai Investment Co., Ltd. and China Financial Leasing Co., Ltd. After an array of equity transfers and capital injections, the registered capital of the company reached RMB1.8 million at end-2024. Following the change of shareholding structure in December 2025, SCFL is now fully owned by SCI Group and the actual controller of the company is the Management Committee of Guangzhou Development District.

SCFL's Summary Financials and Key Ratios

(RMB million)	2023	2024	2025
Total Assets	7,157	7,979	9,618
Gross Finance Lease Receivables	5,535	6,211	6,473
Total Debt	5,241	5,242	7,524
Total Equity	1,470	1,930	1,890
Total Revenue	452	407	439
Net Profit	54	55	59
Return on Average Assets (% , annualized)	0.7	0.7	0.7
Return on Average Equity (% , annualized)	4.2	3.3	3.1
Impairment Charges to Average Gross Receivables (%)	0.7	0.1	0.9
Impaired Loans to Gross Leasing (%)	0.2	0.2	0.2
Special-mention loans to Gross Leasing (%)	13.4	11.5	10.3
Common Equity to Total Assets (tangible, %)	20.5	24.0	19.5
Short-term Debt to Total Debt (%)	68.3	51.2	66.3
Liquid Assets to Short-term Debt (%)	26.4	14.8	6.3

Source: SCFL and Lianhe's calculations

Appendix I: SCFL's Shareholding Structure



Appendix II: SCFL's Rating Factors

Rating Factors	Weight	Initial Rating
I. Operating Environment	15.00%	bbb+
II. Business Analysis	25.0%	bb
III. Governance and Management	5.0%	bbb
IV. Risk Management and Exposures	20.0%	bb+
V. Financial Profile	35.0%	bb
Stand-Alone Creditworthiness	100%	bb+
VI. External Support		Strong
Issuer Credit Rating		BBB

Source: Lianhe Global

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