Chengdu Sino French Ecological Park Investment Development Co., Ltd.

Summary	
Issuer Rating	A-
Outlook	Stable
Location	China
Industry	Local Investment and Development Companies
Date	10 November 2026

Lianhe Ratings Global Limited has upgraded the global scale Long-term Issuer Credit Rating of Chengdu Sino French Ecological Park Investment Development Co., Ltd. ("CSID") to 'A-' from 'BBB+'; Issuer Rating Outlook Stable

Summary

The Issuer Credit Rating upgrade reflects the upgrade in our internal credit assessment on the People's Government of Longquanyi District ("Longquanyi government") and the expectation of a continuing high possibility that the Longquanyi government would provide very strong support to CSID if needed. This mainly reflects the government's indirect majority ownership of CSID and CSID's strategic importance as the sole state-owned entity for infrastructure investment, construction and operation in the Chengdu Sino-French Ecological Park in Longquanyi District ("Longquanyi"). The linkage between the Longquanyi government and CSID is strong, including supervision of the management and major investment and financing decisions, strategic alignment, and ongoing operational and financial support. In addition, we believe that the local government has a very strong willingness to ensure CSID's business and financial viability in order to safeguard its reputation and local financing activities.

Longquanyi is one of the municipal districts under the jurisdiction of Chengdu, the capital city of Sichuan Province. It serves as Chengdu's eastern sub-center where the Chengdu Economic and Technological Development Zone ("Chengdu ETDZ"), a national economic development zone is located. Its GDP grew by 6.8% to RMB167.1 billion in 2025, while its budgetary revenue decreased by 4% to RMB10.4 billion over the same period.

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

Rating Rationale

Government's Ownership and Supervision: The Management Committee of Chengdu Economic and Technological Development Zone ("Management Committee"), as the actual controller, holds 88.46% shares of CSID through Chengdu Economic Development Industrial Investment Group Co., Ltd. ("CEDI"). The Management Committee is a government agency responsible for planning and management in Chengdu ETDZ. The Longquanyi government has the final decision-making authority and supervises the company, including supervision of the management and decisions on its strategic development and investment and financing plans. In addition, the Longquanyi government has performance assessment mechanism over the company and regularly appoints auditors to review CSID's operating performance and financial position.

Strategic Importance and Alignment: CSID is dedicated to Sino-French Ecological Park development business, and is responsible for a variety of work in relation to the Sino-French Ecological Park, including construction plan formulation, construction of infrastructure and public facilities, investment promotion, and other relevant services in the Sino-French Ecological Park. It undertakes a number of strategically important projects, while also engaging in agency construction and property leasing businesses. CSID's business operations and strategic planning have been aligned with the local government's

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

development plans and continues to play an important role in the development of the Sino-French Ecological Park.

Ongoing Government Support: CSID has received ongoing support from the local government, usually in forms of injections of capital and assets and subsidies to support CSID's business operation. The company received subsidies totaling around RMB40 million between 2023 and 2025. In 2025, it also received capital injection of RMB901 million. As an important entity for infrastructure investment, construction and operation in the Chengdu Sino-French Ecological Park, we believe CSID owns the advantage in acquiring related resources and projects, while government support will remain intact to ensure CSID's business operation and development.

CSID's Financial Matrix and Liquidity: CSID's total assets continued to expand in recent years as it actively participated in Longquanyi's development projects, particularly the Sino-French Ecological Park. Its asset size reached RMB47.8 billion at end-June 2026, including mainly receivables, inventories, and investment properties. The company notably relied on debt financing to support its business operations. Its financial leverage, measured by the debt-to-capitalization ratio, rose to 73.6% at end-June 2026 from 70.5% at end-2023. CSID faces significant short-term debt servicing pressure. As of end-June 2026, the company held RMB0.7 billion in cash, compared with RMB8.5 billion of debt to be due within one year. CSID has access to various financing channels, including bank borrowings and bond issuance, with unused credit lines.

Rating Sensitivities

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

We would consider upgrading CSID's rating if there is an upgrade in our internal credit assessment on the Longquanyi government.

Operating Environment

Economic Condition of Longquanyi

Longquanyi is one of the municipal districts under the jurisdiction of Chengdu, the capital city of Sichuan Province. It is in the eastern part of the city, with a total land area of 556 square kilometers. Longquanyi serves as Chengdu's eastern sub-center and hosts Chengdu ETDZ, a national economic development zone. The Chengdu Sino-French Ecological Park is located within Chengdu ETDZ. Positioned as Chengdu's international auto city, Longquanyi ranks among Sichuan's top ten districts in overall economic strength, promoting the industrialization and economic development of the region.

Longquanyi's GDP increased to RMB167.1 billion in 2025, from RMB158.6 billion in 2024. The GDP growth rate was 6.8% in 2025, higher than 4.1% recorded in 2024. The tertiary sector accounted for 54.4% of the GDP in 2025, while the GDP per capita steadily increased to around RMB120,000. Meanwhile, fixed asset investment reported a growth rate of 4.8% in 2025.

Longquanyi's Economic Condition (RMB billion)	2023	2024	2025
GDP	150.3	158.6	167.1
-Primary industry (%)	1.4	1.3	1.3

-Secondary industry (%)	58.6	45.7	44.3
-Tertiary industry (%)	40.0	53.0	54.4
GDP growth rate (%)	6.1	4.1	6.8
Fixed asset investment growth rate (%)	-8.9	13.1	4.8
Population (million)	1.4	1.4	1.4

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

Fiscal Condition of Longquanyi

The Longquanyi government's budgetary revenue decreased by 4% to RMB10.4 billion in 2025, compared with a strong growth of 27.1% in 2024, with a moderate contribution of tax revenue of 65.4% in 2025. The fiscal self-sufficiency of the Longquanyi government remained weak. Its budget deficit widened to 40.8% in 2025 from 33.2% in 2024. The government fund income increased notably to RMB5.8 billion in 2025, while transfer payments from higher government reached RMB6 billion.

The outstanding debt of the Longquanyi government continued to grow in the past few years. At end-2025, the Longquanyi government's outstanding debt increased to RMB54.4 billion from RMB43.5 billion at end-2024, mainly due to the issuance of special purpose debts. Its government debt ratio, as measured by total government debt to aggregate revenue, was further elevated to 242.2% at end-2025 from 231% at end-2024.

Longquanyi's Fiscal Condition			
(RMB billion)	**2023**	**2024**	**2025**
Budgetary revenue	8.5	10.9	10.4
Budgetary revenue growth rate (%)	5.6	27.1	-4.0
Tax revenue	6.9	5.9	6.8
Tax revenue (% of budgetary revenue)	81.1	54.5	65.4
Government fund income	5.5	3.0	5.8
Transfer payment	6.9	4.8	6.0
Aggregate revenue	21.1	18.8	22.4
Budgetary expenditure	12.6	14.5	14.7
Budget balance[1] (%)	-47.0	-33.2	-40.8
Government debt ratio (%)	141.9	231.0	242.2

*[1] Budget balance = (1-budgetary expenditure / budgetary revenue) * 100%*
Source: Financial Bureau of Longquanyi and Lianhe Global's calculations

Company Profile

CSID was established in 2018 with an initial registered capital of RMB1 billion, funded by CEDI. In 2025, Chengdu Economic Development Credit Finance Enterprise Management Partnership Enterprise (Limited Partnership) became a minority shareholder of the company. CEDI remains the controlling shareholder (owning 88.46% of CSID), and the company's actual controller continues to be the Management Committee. As at end-June 2026, CSID's registered and paid-in capital both stayed at RMB5,841 million.

CSID is the sole development and operating entity for the Chengdu Sino-French Ecological Park, responsible for its overall development and operation, including infrastructure and public facilities construction, urban operations and investment attraction. The Chengdu Sino-French Ecological Park development business remained CSID's dominant revenue contributor, while the overall gross margins were broadly stable at around 18%–20% in recent years.

Key Financial Data				
(RMB million)	**2023**	**2024**	**2025**	**2026.6**

Total Assets	38,902	40,719	45,530	47,848
Equity	10,700	10,806	11,855	11,957
Debt	25,630	26,346	31,150	33,334
Debt / (Debt + Equity) (%)	70.5	70.9	72.4	73.6
Unrestricted cash/ST Debts (x)	0.0	0.0	0.0	0.0
Debt/EBITDA (x)	41.0	86.4	66.3	-
Revenue	3,542	1,571	2,337	306
Gross Margin (%)	19.6	20.8	18.1	20.2
Cash from sales or services/ Revenue (%)	52.3	181.9	57.6	670.8

Source: CSID and Lianhe Global's calculations

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