Sichuan Gloport Investment Development Group Co., Ltd

Summary	
Issuer Rating	BBB+
Outlook	Positive
Location	China
Industry	Local Investment and Development Companies
Date	2 Novermber 2026

Lianhe Ratings Global Limited ("Lianhe Global") has affirmed 'BBB+' global scale Long-term Issuer Credit Rating of Sichuan Gloport Investment Development Group Co., Ltd. ("SGID"); Rating Outlook Remains 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, we believe that the local government has a strong willingness to ensure SGID's business and financial viability to safeguard its reputation and local financing activities.

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. In addition, the Yibin government will continue to ensure SGID's stable operation.

Yibin is a prefecture-level city of Sichuan Province and a major hub port of Yangtze River. In 2025, Yibin's GDP grew steadily by 5.5% to RMB413.5 billion, while its budgetary revenue increased by 3.0% to RMB33.4 billion.

A full list of issuance ratings is included in this rating report.

Rating Rationale

Government's Ownership and Supervision: Following an internal SOE shareholding restructuring in the first half of 2026, SGID is now 51% held directly by Yibin Development Holding Group Co., Ltd. ("YDHG"), a flagship LIDC in Yibin, and 49% by YDHG's wholly owned subsidiary, Yibin Sanjiang Investment and Construction Group Co., Ltd., compared with 100% direct ownership by YDHG previously. On an effective look-through basis, YDHG continues to hold 100% of SGID, and the Yibin State-owned Assets Supervision and Administration Commission ("Yibin SASAC") remains the ultimate 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 an 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

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Applicable Criteria

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

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 YDHG. SGID received cash capital injections of RMB1,349 million and state-owned assets of RMB1,628 million between 2023 and the first nine months of 2026. The local government also provided operational subsidies of RMB379 million over the same period. Given 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 assets increased steadily to RMB68.8 billion at end-September 2026 from RMB60.6 billion at end-2023 as it actively participated in Yibin's project development. The company mainly relied on borrowings to fund its asset expansion. Hence, SGID's unadjusted financial leverage, measured by debt-to-capitalization, increased to 66.9% from 62.9% over the same period.

SGID's short-term debt servicing pressure is high. At end-September 2026, the company held unrestricted cash of RMB3.1 billion, compared to RMB15.1 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-June 2025, the company had total bank facilities of RMB49.0 billion, of which RMB3.8 billion was available. In addition, we expect the company to roll-over its short-term bank borrowings (end-September 2026: RMB4.3 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 local government, particularly due to its reduced strategic importance, or (2) there is a significant reduction of the local 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 local government, or (2) there is an upgrade in our internal credit assessment on the Yibin government.

Full List of Issuance Ratings

- CNY1,476 million 2.5% credit enhanced sustainable bonds due 2028 with the benefit of an irrevocable Standby Letter of Credit provided by Bank of Shanghai Co., Ltd., Chengdu Branch ('A+')

Operating Environment

Economic Condition of Yibin

In 2025, Yibin's GDP grew steadily by 5.5% to RMB413.5 billion. The local economy remains anchored by white spirits manufacturing, led by Wuliangye Group. However, fixed asset investment remained subdued, contracting by 9.3% in 2025 following declines of 18.4% in 2024 and 9.9% in 2023, driven mainly by a prolonged real estate downturn.

Lingang ETDZ serves as Yibin's primary manufacturing hub and policy focus for industrial diversification. The national-level zone has established a significant national footprint in the power battery supply chain, anchored by industry leaders including CATL, while expanding

investments in solar photovoltaics and the digital economy to reduce reliance on traditional industries.

Yibin's Economy Condition (RMB billion)	2023	2024	2025
GDP	382.0	400.8	413.5
-Primary industry (%)	9.3	9.1	8.7
-Secondary industry (%)	48.8	48.5	48.2
-Tertiary industry (%)	41.9	42.3	43.1
GDP growth rate (%)	7.5	5.1	5.5
Fixed asset investment growth rate (%)	-9.9	-18.4	-9.3
Population (million)	4.6	4.6	4.6

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

Fiscal Condition of Yibin

The Yibin government's budgetary revenue grew by 3.0% to RMB33.4 billion in 2025, while its fiscal balance remained weak with a budgetary deficit ratio of 110.3%. Government fund income fell to RMB15.0 billion in 2025 from RMB19.9 billion in 2023 and RMB16.6 billion in 2024 amid a protracted property market downturn. Nevertheless, aggregate revenue rose to RMB88.5 billion (2023: RMB84.8 billion), supported by higher transfer payments and resilient state-owned capital operating revenue bolstered by key state-owned enterprises, notably Wuliangye Group.

Yibin's outstanding government debt expanded to RMB159.6 billion at end-2025 from RMB134.8 billion at end-2024, propelled by special-purpose bond issuance for key public projects and the replacement of off-budget implicit debt under the national debt resolution programme. Consequently, the debt-to-aggregate-revenue ratio climbed to 180.3% from 156.0%, and the direct debt-to-GDP ratio rose to 38.6% from 33.6%. While elevating direct government leverage, this debt swap helps ease near-term refinancing pressures across regional platforms.

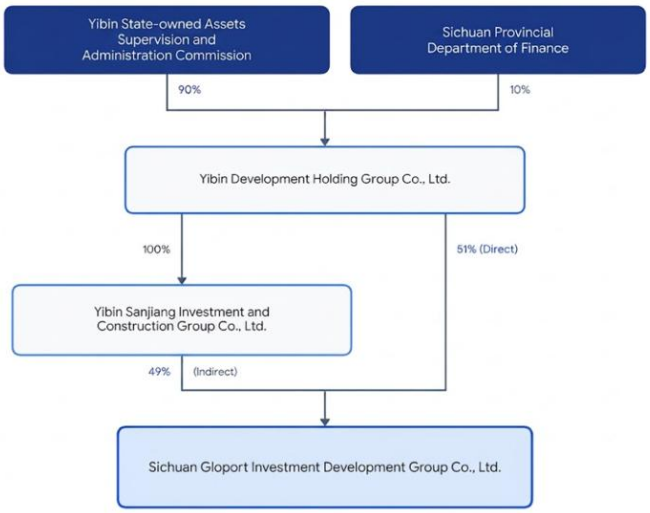
Yibin's Fiscal Condition (RMB billion)	2023	2024	2025
Budgetary revenue	31.4	32.4	33.4
Budgetary revenue growth rate (%)	13.8	3.3	3.0
Tax revenue	18.5	19.1	19.4
Tax revenue (% of budgetary revenue)	58.8	58.8	58.1
Government fund income	19.9	16.6	15.0
Transfer payment	29.6	31.8	33.5
Aggregate revenue	**84.8**	**86.4**	**88.5**
Budgetary expenditure	66.4	67.1	70.2
Budget balance[1] (%)	-111.4	-107.0	-110.2
Government debt ratio (%)	129.9	156.0	180.3

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

Company Profile

SGID was established in June 2004 with an initial registered capital of RMB18.5 million, funded by Yibin SASAC. Following a series of equity transfers and capital injections, its paid-in capital expanded to RMB5.0 billion at end-September 2026. SGID is directly and indirectly 100% held by YDHG, the flagship LIDC in Yibin and the controlling shareholder of Wuliangye Yibin Co., Ltd. (000858.SZ). YDHG is in turn 90% owned by Yibin SASAC and 10% by the

Sichuan Provincial Department of Finance, making Yibin SASAC the ultimate actual controller of SGID.



Source: The company

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 RMB3.7 billion, RMB4.5 billion and RMB4.6 billion in 2023, 2024 and 2025, respectively, representing an upward trend. Its overall gross profit margin stayed at a high level between c. 50% and 60% over the same period.

Key Financial Data (RMB million)	**2023**	**2024**	**2025**	**2026.9**
Total Assets	59,358	60,571	65,170	68,807
Equity	18,953	19,461	19,288	19,952
Debt	32,033	32,987	37,615	40,381
Debt / (Debt + Equity) (%)	62.8	62.9	66.1	66.9
Unrestricted cash/ST Debts (x)	0.2	0.1	0.2	0.2
Debt/EBITDA (x)	15.0	13.8	15.7	-
Revenue	3,739	4,526	4,598	3,113
Gross Margin (%)	59.1	60.2	52.6	57.6
Cash from sales or services/ revenue (%)	68.4	61.0	77.5	98.0

Source: The company and Lianhe Global's calculations

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