Credit Opinion

27 August 2026

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

Surveillance credit rating report

Ratings	
Senior Unsecured Debt Rating (XS3151388173)	BBB$_g$+
Senior Unsecured Debt Rating (XS3177847756)	A$_g$-
Senior Unsecured Debt Rating (XS3146728285)	A$_g$+
Long-Term Credit Rating	BBB$_g$+
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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CCXAP affirms Chengdu Sino French Ecological Park Investment Development Co., Ltd.'s long-term credit rating at BBB$_g$+, with stable outlook.

Summary

The BBB$_g$+ long-term credit rating of Chengdu Sino French Ecological Park Investment Development Co., Ltd. ("SFEP" or the "Company") reflects Chengdu Longquanyi District ("Longquanyi District") Government's very strong capacity and very high willingness to provide support to the Company, based on our assessment of the Company's characteristics.

Our assessment of Longquanyi District Government's capacity to provide support reflects Longquanyi District's economic importance in Chengdu City, with good economic fundamentals and fiscal strengths.

The rating also reflects the local government's willingness to provide support, which is based on the Company's (1) monopolistic business position in Chengdu Sino-French Ecological Park; and (2) good record of receiving government payments; (3) high sustainability of its public service business and (4) access to various funding channels.

However, the Company's rating is constrained by its (1) medium exposure to commercial activities; (2) high debt leverage and short-term repayment pressure; (3) weak asset liquidity; and (4) medium contingent risk.

The stable outlook on SFEP's rating reflects our expectation that the local government's capacity to support the Company will remain stable, and the Company will maintain its strategic role, being the key investment and operation entity in the Sino-French Ecological Park within 12-18 months.

Rating Drivers

- Monopolistic business position in Chengdu Sino-French Ecological Park
- High sustainability of its public service business
- Medium exposure to commercial activities
- Good record of receiving government payments
- High debt leverage and short-term repayment pressure
- Access to various funding channels
- Weak asset liquidity
- Medium contingent risk

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the local government's ability to support strengthens; and (2) changes in company's characteristics enhance local government's willingness to support, such as increased strategic significance or improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's ability to support weakens; or (2) changes in company's characteristics decrease the local government's willingness to support, such as reduced strategic significance or increased exposure to commercial activities.

Key Indicators

	2023FY	2024FY	2025FY	2026Q1
Total Asset (RMB billion)	38.9	40.7	45.5	47.3
Total Equity (RMB billion)	10.7	10.8	11.9	11.8
Total Revenue (RMB billion)	3.5	1.6	2.3	0.1
Total Debt/Total Capital (%)	70.5	70.9	72.6	73.7

All ratios and figures are calculated using CCXAP's adjustments.

Source: Company data, CCXAP research

Corporate Profile

Founded in 2018, formerly known as Chengdu Eiffel Construction and Development Co., Ltd., and designated by the Longquanyi District Government, SFEP is a key investment and operation entity of the Sino-French Ecological Park in the Longquanyi District, which is also known as the Chengdu Economic and Technological Development Zone ("Chengdu ETDZ"), Chengdu City. The Company is dedicated to Sino-French Ecological Park development, and is responsible for a variety of work such as construction plan formulation, construction of infrastructure and public facilities, investment promotion, and other relevant services in the Sino-French Ecological Park. Apart from its main business, the Company also engages in other commercial business, such as leasing and self-operating projects.

In 2025, Chengdu Economic and Technological Development Zone Jinfa Equity Investment Center (Limited Partnership) transferred all its shares in SFEP to Chengdu Economic Development Industrial Investment Group Co., Ltd. ("CEDI"). The Company also received capital injection of RMB901.0 million from Chengdu Economic

Development Xinrong Enterprise Management Partnership (Limited Partnership), of which RMB674.0 million was recognized as paid-in capital and RMB227.0 million as capital reserve. As of 31 March 2026, Chengdu Economic Development Industrial Investment Group Co., Ltd. ("CEDI") owned 88.46% of the Company's shares, while Chengdu Economic Development Xinrong Enterprise Management Partnership (Limited Partnership) owned the remaining 11.54%. The ultimate controller of the Company is the Chengdu Economic and Technological Development Zone Management Committee ("Chengdu ETDZ Management Committee").

Exhibit 1. Revenue Structure in 2025

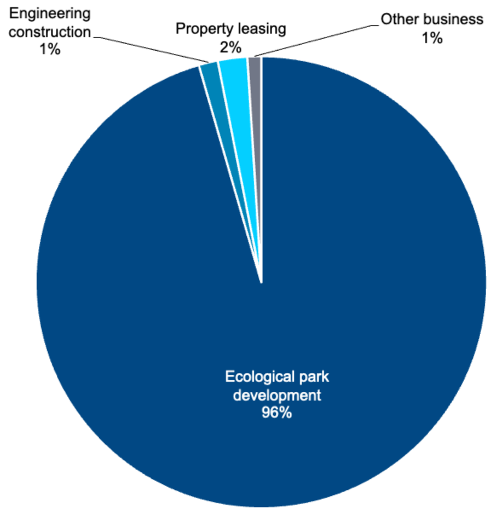
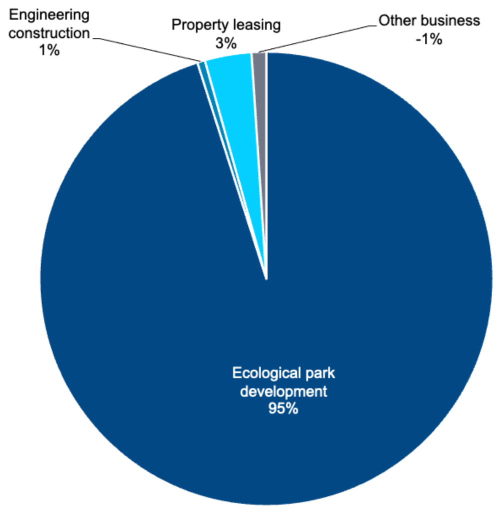
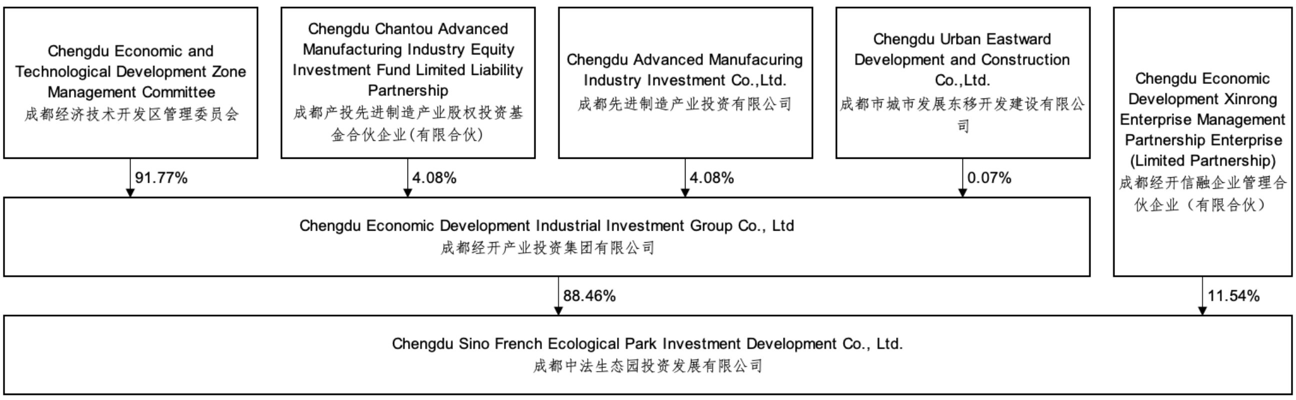


Exhibit 2. Gross Profit Structure in 2025



Source: Company information, CCXAP research

Exhibit 3. Shareholding and organization chart as of 31 March 2026



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that the Longquanyi District Government has a strong capacity to provide support to the Company given its economic importance in Chengdu City, with good economic fundamentals and fiscal strengths, but fast regional debt growth.

Sichuan Province is a leading economic province and is recognized as one of the most developed provinces in China. In 2025, Sichuan recorded a gross regional product ("GRP") of RMB6.8 trillion, with a GRP growth rate of 5.5% year-on-year ("YoY"). Its general budgetary revenue increased to RMB584.9 billion, up by 3.8% YoY.

Chengdu City is a sub-provincial city that serves as the capital city of Sichuan Province. Chengdu City is also an important economic and financial center, as well as a transportation and communication hub in Southwest China, with a solid economic foundation. Its economy is characterized by industries such as electronic information product manufacturing, machinery, automotive, metallurgy, building materials, and light industry. In 2025, Chengdu achieved a GRP of RMB2.5 trillion, a YoY increase of 5.8%. The Chengdu Municipal Government's general budgetary revenue amounted to RMB200.1 billion in 2025, a YoY increase of 2.6%, while tax revenue increased to RMB140.9 billion. Its fiscal balance ratio remained at 74.7%, which was at a moderate level. Chengdu's outstanding government debt increased to RMB722.4 billion in 2025, accounting for 29.2% of its GRP.

Exhibit 4. Key Economic and Fiscal Indicators of Chengdu City

	2023FY	2024FY	2025FY
GRP (RMB billion)	2,207.5	2,351.1	2,476.4
GRP Growth (%)	6.0	5.7	5.8
General Budgetary Revenue (RMB billion)	192.9	195.0	200.1
General Budgetary Expenditure (RMB billion)	258.7	261.0	268.0
Local Government Debt (RMB billion)	522.9	620.7	722.4

Source: Statistics Bureau of Chengdu City, Department of Finance of Sichuan Province, CCXAP research

Longquanyi District is close to the five central districts of Chengdu City, and is a high-end manufacturing center in southwest China. Located in Longquanyi District, Chengdu ETDZ was approved by the State Council as a national-level economic development zone in 2000. Chengdu ETDZ combined the government administration with Longquanyi District and was unified in government management, local planning, and financing. Relying on the development of the automobile and auto parts industries, the economy of Longquanyi District has developed rapidly in recent years.

Longquanyi District's GRP increased from RMB158.6 billion in 2024 to RMB167.1 billion in 2025, representing a YoY growth of 6.8% and accounting for about 6.7% of Chengdu's GRP. Longquanyi District Government's general budgetary revenue decreased from RMB10.9 billion in 2024 to RMB10.4 billion in 2025, with a YoY decline of 4.0%. Its general budgetary expenditure was RMB14.7 billion, resulting in a fiscal balance ratio of 71.0%. In addition, Longquanyi District's outstanding government debt increased to RMB54.4 billion in 2025, accounting for 32.5% of its GRP.

Exhibit 5. Key Economic and Fiscal Indicators of Longquanyi District

	2023FY	2024FY	2025FY
GRP (RMB billion)	150.3	158.6	167.1
GRP Growth (%)	6.1	4.1	6.8
General Budgetary Revenue (RMB billion)	8.5	10.9	10.4
General Budgetary Expenditure (RMB billion)	12.6	14.5	14.7
Local Government Debt (RMB billion)	31.2	43.5	54.4

Source: Statistics Bureau of Longquanyi District, Longquanyi District Finance Bureau, CCXAP research

Chengdu Sino-French Ecological Park is located in Chengdu ETDZ with a total area of 131 square kilometers, which is a program under the cooperation between China and France concentrating on energy-saving and environment-friendly technologies and relevant products. The excellent location and great development potential of the Sino-French Ecological Park have driven its need for infrastructure construction, public facilities, and ancillary services, which in turn provide SFEP with great opportunities for business growth.

Government’s Willingness to Provide Support

Monopolistic business position in Chengdu Sino-French Ecological Park

There are 3 major Local Infrastructure Investment and Financing Companies (“LIIFCs”) in Longquanyi District, including CEDI, Chengdu Jingkai Guotou Investment Group Co., Ltd. (“CJGI”), and Chengdu Economic Development Holding Group Co., Ltd. (“CEDH”). CEDI is mainly responsible for the industrial development in Longquanyi District. In 2024, SFEP consolidated Chengdu Longquanyi District Longquan Industrial Investment and Operation Co., Ltd. (“Longquan Industrial Investment”), which is mainly responsible for infrastructure construction and construction and operation of self-operated projects such as industrial parks. SFEP is one of the major subsidiaries of CEDI and the only LIIFC in the Chengdu Sino-French Ecological Park. It has a monopolistic position as the Company is solely entrusted by the Chengdu ETDZ Government to develop the park. Chengdu ETDZ Management Committee authorized the Company to implement a closed operation of the Sino-French Ecological Park, including land development and infrastructure construction. It has strong strategic functions in operation, investments and construction in the Sino-French Ecological Park.

In addition, the Company is responsible for the operation and construction of the industrial parks in Longquanyi District. As a sole LIIFC in the Sino-French Ecological Park, as well as a major developer of industrial parks in Longquanyi District, we believe the Company's status as an important subsidiary of CEDI will not be easily changed in the foreseeable future.

High sustainability of its public service business

SFEP continues to focus on the development of major infrastructure construction in Chengdu Sino-French Ecological Park. The Company entered into a cooperation agreement with the Chengdu ETDZ Management Committee with respect to its main business projects. SEFP undertakes the construction work for the government regarding infrastructure and public facilities in the Sino-French Ecological Park. In return, the Company is entitled to obtain part of the government fund revenue generated from the sale of land use right in the Sino-French Ecological Park, and part of the value-added tax revenue generated within the Sino-French Ecological Park, as its operating revenue.

The Company has a large number of public projects in the pipeline (mainly located in Sino-French Ecological Park), which ensure high sustainability of its public service business. According to the project schedule provided by the Company, as of 31 March 2026, the Company had 4 non-self-operated ecological-park development projects under construction, with an estimated total investment amount of RMB1.1 billion and an outstanding amount of RMB385.4 million. It also had 3 non-self-operated planned projects with aggregate investment plans of RMB2.3 billion for 2027 and 2028. Given SFEP’s clear position and policy mandate, we believe that the Company will continue to undertake the public projects in Chengdu Sino-French Ecological Park. However, the large number of projects in the pipeline exert a relatively large amount of capital expenditure pressure on the Company.

Moreover, the Company is also responsible for the infrastructure construction of industrial parks in Longquanyi District, such as schools, river restoration projects, and other public facilities. The Company continues to conduct infrastructure construction projects under the agency construction model. However, the sustainability of this business is relatively low.

Good record of receiving government payments

As a state-owned enterprise ultimately controlled by the local government in Chengdu ETDZ, the Company regularly receives financial support and certain preferential treatments from the Chengdu ETDZ Management Committee. These supports come in various forms, such as favorable policies, special government bonds and government grants and subsidies. In terms of project payment, the Company received a repurchase payment of RMB2.8 billion from the government in 2024. In 2025, the Company received capital injection of RMB901.0 million, reflected in increases in paid-in capital and capital reserve. In addition, the Company regularly receives financial subsidies from the government, with total amount of RMB15.1 million in 2025. Considering the economic and financial growth of Longquanyi District, as well as the gradual construction of the Sino-French Ecological Park, we expect the Company will continue to receive support from the local government in the future.

Medium exposure to commercial activities

Apart from public projects, the Company also engages in property leasing and the construction of self-operating projects. We consider SFEP’s commercial business exposure to be medium as its market-driven assets accounted for 25% to 30% of its total assets as of 31 March 2026.

The Company has participated in the property leasing business mainly through the acquisition or construction of leasable properties, including markets, shops and park factories. In 2025, the Company changed its operating model for its leasing business by leasing all its properties to a state-owned enterprise (“SOE”) in Longquanyi District. The Company receives fixed rent and pays management fees and operating costs to this SOE annually, resulting in a decrease in the company's leasing income and profits. Property leasing income decreased by 41.1% from RMB83.6 million in 2024 to RMB49.2 million in 2025. Gross profit decreased by 64.2% to RMB14.3 million, while the gross profit margin declined from 47.8% to 29.1%.

The Company also engages in the construction of self-operating projects, such as Sichuan (Chengdu) Intelligent Connected Vehicle Pilot Zone Construction Project, industrial parks, and innovation center. The Company constructs self-operating projects mainly with self-raised funds and achieves a fiscal balance by obtaining operating income from these projects. As of 31 March 2026, the Company had 2 major completed self-operating projects with an estimated total investment of around RMB1.4 billion. It also had 3 self-operating projects under construction, with an estimated total investment of RMB4.3 billion and an outstanding amount of RMB3.3 billion, as well as 2 planned self-operating projects with an estimated total investment of RMB0.8 billion. The relatively large investment may bring certain expenditure pressure to the Company. Apart from that, the profitability of self-operating projects in the future is uncertain and is vulnerable to the market conditions.

High debt leverage and short-term repayment pressure

The substantial investment in projects and relatively slow project repayment resulted in high debt leverage of the Company. The Company’s total debt increased from RMB26.3 billion at end-2024 to RMB33.3 billion as of 31 March 2026, with its capitalization ratio increasing from 70.9% to 73.7%, remaining at a high level. Its debt maturity profile improved, as short-term debt decreased from 41.6% to 26.1% over the same period. However, the cash to short-term debt ratio was merely 0.1x as of 31 March 2026, indicating continued liquidity pressure. Given the Company’s large capital expenditure pressure from the ongoing construction projects, we expect the Company will maintain a relatively high debt leverage for the next 12-18 months.

Weak asset liquidity

Meanwhile, the Company has a weak asset liquidity profile. As of 31 March 2026, receivables and inventories were RMB32.0 billion and RMB8.9 billion, respectively, making up 86.3% of its total assets. Receivables are mainly the investment cost incurred by other construction entities in the Sino-French Ecological Park, which the Company is entitled to collect subsequently. Inventories mainly include the development cost of construction projects. The project repurchase payments are affected by the government's fiscal budget and the timeline of project handover. We assess the liquidity of these assets to be low.

Access to various funding channels

The Company has access to various funding channels. As of 31 March 2026, bank financing and debt financing instruments accounted for over 70% and 8% of its interest-bearing financial liabilities, respectively. As the majority of funds being collected and invested by the Company's shareholders, the Company has a relatively small amount of monetary funds. As of 30 September 2025, the company had total bank credit facility is RMB21.7 billion and available facility of RMB650 million, indicating limited liquidity buffer. The Company has actively expanded its financing channels and significantly reduced its reliance on non-standard financing, which decreased to around 17% as of 31 March 2026. The Company also has access to the offshore bond market, which issued offshore bonds with an issuance amount of USD300.0 million in 2025. SFEP's relatively large capital expenditure could be supported by its bank refinancing channel, and the Company has maintained a good relationship with large domestic banks.

Medium contingent risk associated with external guarantee

As of end-2025, the Company's external guarantees increased from RMB7.5 billion to RMB10.9 billion, accounting for 91.7% of its net assets. As the external guarantees were mainly provided to local state-owned enterprises, we believe the contingent risk is medium. If credit events occur, we believe the government is likely to provide necessary support.

ESG Considerations

The Company is subject to environmental laws and regulations governing air pollution, noise emissions, hazardous substances, water and waste discharge and other environmental matters issued by the national governmental authorities. SEFP assumes environmental risks for its infrastructure projects. Such risks could be mitigated by conducting environmental studies and detailed planning prior to the commencement of projects and close supervision during construction.

SEFP is also exposed to social risks as it implements public-policy initiatives by building public infrastructure in Chengdu Sino-French Ecological Park. Demographic changes, public awareness and social priorities shape government's development strategy, and it will affect the government's propensity to support the Company.

The Company's governance considerations are also material as it is subject to oversight and reporting requirements to the local government, reflecting its public-policy role and status as a government-owned entity.

Structural Subordination

SFEP's senior unsecured debt rating (ISIN: XS3151388173) is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its important role as the key investment and operation entity in the Sino-French Ecological Park, thereby mitigating any differences in an expected loss that could result from structural subordination.

Credit Enhancements

SFEP's senior unsecured debt rating (SBLC-supported) is based on our assessment of Bank of Chengdu Co., Ltd.'s ("Bank of Chengdu") credit quality, as the bonds (ISIN: XS3177847756) are fully supported by an irrevocable standby letter of credit ("SBLC") from Bank of Chengdu. Founded in 1996, Bank of Chengdu is a key regional commercial bank in Chengdu. It was listed on the Shanghai Stock Exchange in 2018 (Stock Code: 601838.SH). It has strong capital base, with continuously improving profitability and liquidity. Given its significant regional importance and ultimate government control, Bank of Chengdu has a high likelihood of receiving government support. Any change to the credit quality of Bank of Chengdu could lead to a corresponding change in the rating of the bonds.

SFEP's senior unsecured debt rating (guaranteed) is based on our assessment of Tianfu Bond Insurance Co., Ltd.'s ("TFBI") credit quality, as the bonds (ISIN: XS3146728285) are unconditionally and irrevocably guaranteed by TFBI. Established in 2017, TFBI is a leading credit enhancement and investment company in Sichuan Province. We believe TFBI has a high likelihood of government support given its indirect ownership and ultimate control by the Sichuan Province Government, very high strategic function for the economic development and financial stability of Sichuan Province, and solid record of receiving support from the government. Any change to the credit quality of TFBI could lead to a corresponding change in the rating of the bonds.

Rating Methodology

The methodology used in SFEP's rating is the Rating Methodology for China's Local Infrastructure Investment and Financing Companies (July 2022).

The methodology used in Bank of Chengdu's assessment is the Rating Methodology for Banks (November 2021).

The methodology used in TFBI's assessment is the Rating Methodology for Financial Guarantors (January 2022).

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