

Credit Opinion

27 October 2026

Chengdu Economic Development Industrial Investment Group Co., Ltd.

Surveillance credit rating report

Ratings	
Senior Unsecured Debt Rating	A _g -
Long-Term Credit Rating	A _g -
Outlook	Stable
Category	Corporate
Domicile	China
Rating Type	Solicited Rating

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CCXAP upgrades Chengdu Economic Development Industrial Investment Group Co., Ltd.'s long-term credit rating to A_g-, with stable outlook.

Summary

CCXAP has upgraded the Chengdu Economic Development Industrial Investment Group Co., Ltd. ("CEDI" or the "Company") to A_g- from BBB_g+, as reflected by improved debt structure and funding channels as well as its important role in industrial development and operation in Longquanyi District.

The A_g- long-term credit rating of Chengdu Economic Development Industrial Investment Group Co., Ltd. ("CEDI" or the "Company") reflects Longquanyi District Government's (1) very strong capacity to provide support, and (2) extremely high willingness to provide support, based on our assessment of the Company's characteristics.

Our assessment of Longquanyi District Government's capacity to provide support reflects that 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 support, which is based on the Company's (1) position as the key entity responsible for industrial development and operation in Longquanyi District; (2) good track record of receiving government payments; and (3) high sustainability of its public services business.

However, the rating is constrained by the Company's (1) relatively high debt leverage level; and (2) relatively high contingent risk associated with external guarantees.

The stable outlook on CEDI'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 entity for infrastructure construction, and industrial development and operation entity in Longquanyi District over the next 12-18 months.

Rating Drivers

- Key entity responsible for industrial development and operation in Longquanyi District
- High sustainability of its public services business
- Good track record of receiving government payments
- Low exposure to commercial activities
- Relatively high debt leverage level
- Diversified funding channels
- Relatively high contingent risk associated with external guarantees

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 characteristics enhance the local government's willingness to support, such as reduced reliance on non-standard financing 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 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	2026H1
Total Asset (RMB billion)	138.7	144.4	148.8	155.7
Total Equity (RMB billion)	43.0	43.0	42.4	43.1
Total Revenue (RMB billion)	7.1	4.6	5.5	1.2
Total Debt/Total Capital (%)	67.9	68.3	69.5	70.4

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

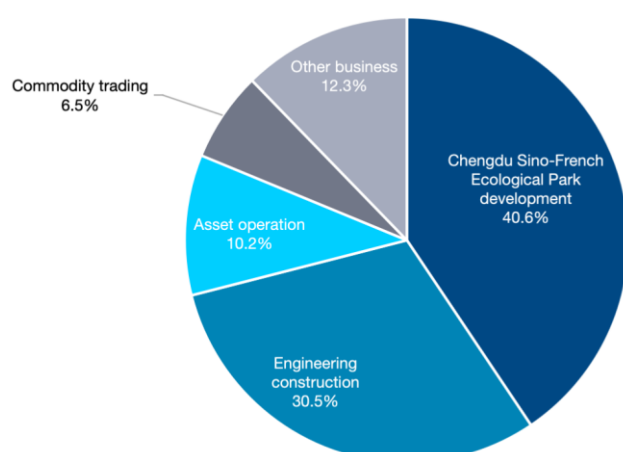
Source: Company data, CCXAP research

Corporate Profile

CEDI is a key entity responsible for infrastructure construction and industrial development and operation in the Longquanyi District, which is also known as the Chengdu Economic and Technological Development Zone ("Chengdu ETDZ"), Chengdu City. The Company is primarily responsible for the development and operation of the Sino-French Ecological Park, rural revitalization projects, and infrastructure development in Longquanyi District. Apart from public projects, the Company also derives revenue from businesses such as self-operating projects, engineering construction, and asset operation.

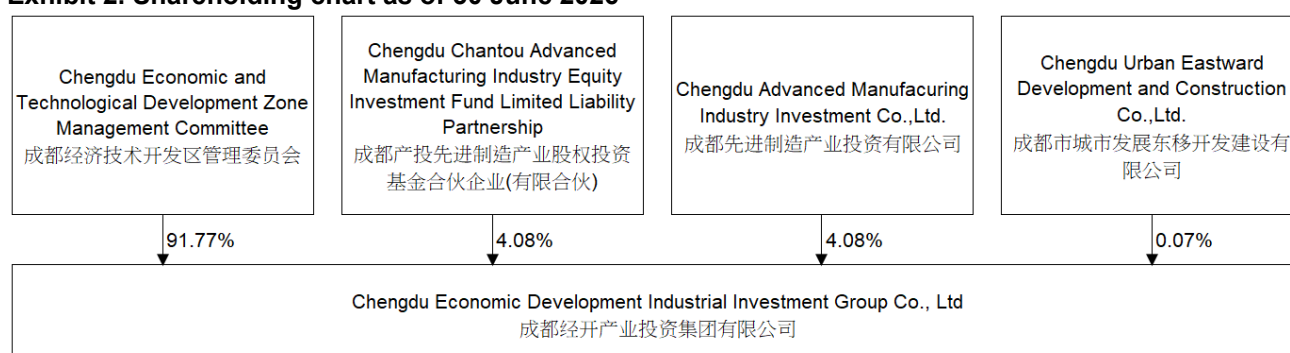
As of 30 June 2026, Chengdu Economic and Technological Development Zone Management Committee ("Chengdu ETDZ Management Committee"), the ultimate controller of CEDI, owned 91.77% of the Company's shares.

Exhibit 1. Revenue Structure in 2025



Source: Company information, CCXAP research

Exhibit 2. Shareholding chart as of 30 June 2026



Source: Company information, CCXAP research

Rating Considerations

Government's Capacity to Provide Support

We believe that the Longquanyi District Government has a very 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 RMB585.4 billion, up by 3.9% YoY. In 2026H1, Sichuan achieved a GRP of RMB3.4 trillion, a YoY increase of 4.8%.

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 the 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%. Tax revenue increased to RMB140.9 billion from RMB137.4 billion in 2024, accounting for 70.4% of general budgetary revenue. Its fiscal balance ratio was 74.7%, which was at a moderate level. Chengdu's outstanding

government debt increased to RMB722.4 billion at end-2025, accounting for 29.2% of its GRP. In 2026H1, Chengdu achieved a GRP of RMB1.3 trillion, with a YoY increase of 5.0%.

Exhibit 3. 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: Statistic Bureau of Chengdu City, 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%, accounting for about 6.7% of Chengdu's GRP. Longquanyi District Government's general budgetary revenue decreased by 4.0% YoY to RMB10.4 billion in 2025. Tax revenue increased to RMB6.8 billion, accounting for 65.3% of general budgetary revenue, compared with 54.5% in 2024. Longquanyi District maintained an average fiscal balance ratio of 71.4% over the past three years. In addition, Longquanyi District's outstanding government debt increased rapidly to RMB54.4 billion in 2025, accounting for 32.5% of its GRP.

Exhibit 4. 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: Statistic Bureau of Longquanyi District, CCXAP research

Government's Willingness to Provide Support

Key entity responsible for industrial development and operation in Longquanyi District

There are 3 major Local Infrastructure Investment and Financing Companies ("LIIFCs") in Longquanyi District, including CEDI, Chengdu Jingkai Guotou Investment Group Co., Ltd., and Chengdu Economic Development Holding Group Co., Ltd. CEDI is mainly responsible for the industrial development and operation in Longquanyi District, including the regional development of Sino-French Ecological Park. With industrial development projects covering different areas such as rural revitalization and Sino-French Ecological Park, we believe the Company's important position in Longquanyi District will not be easily changed in the foreseeable future.

High sustainability of its public services business

The major subsidiary of the Company, Chengdu Sino-French Ecological Park Investment Development Co., Ltd. ("SFEP"), is the sole entity focusing on the development of major infrastructure construction in Chengdu Sino-French Ecological Park. We expect that the projects in the pipeline can ensure the sustainability of public policy business, but also exert large capital expenditure pressure on the Company.

Located in Chengdu ETDZ with a total area of 131 square kilometers, Chengdu Sino-French Ecological Park is a program under the cooperation between China and France, concentrating on energy-saving and environment-friendly technologies and relevant products. The Company entered into a cooperation agreement with the Chengdu ETDZ Management Committee with respect to its main business projects. CEDI 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 rights 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. As of 31 March 2026, CEDI had 9 major Sino-French Ecological Park infrastructure projects under construction or planning, with an estimated total investment amount of RMB5.4 billion and cumulative investment of RMB1.7 billion. It also had 5 planned projects with a total estimated investment of RMB720 million. The project pipeline supports business continuity but entails further funding requirements.

Besides, the Company is also in charge of infrastructure construction projects in Longquanyi District other than Sino-French Ecological Park under three models, namely agency construction, project repurchase, and government purchase services. The projects the Company undertook covered different areas, mainly industrial parks, ecological emigration, and rural revitalization projects. We believe these projects are closely in line with the local development plan. As of end-2025, the Company had several major projects under construction, including 5 urban redevelopment projects, 15 ecological relocation projects, and 6 rural revitalization projects, with a total investment of RMB33.2 billion and an outstanding investment of RMB4.5 billion. The relatively large investment may bring certain capital expenditure pressure to the Company.

Good track record of receiving government payments

CEDI has a track record of receiving payments from the Longquanyi District Government. These payments take various forms, such as government subsidies and asset injections. In 2025, the Company reported government subsidies of RMB64.6 million. In 2026H1, the Company also recognized government subsidies of approximately RMB20.7 million. Considering the economic and financial growth of Longquanyi District, as well as the progress of Chengdu Eastbound Strategy, we expect the Company will continue to receive support from the local government in the future.

Low exposure to commercial activities

Apart from public projects, the Company also engages in commodity sales, property leasing, and the construction of self-operating projects. We consider CEDI's commercial business exposure to be low, as its commercial business-related assets accounted for around 15% of the Company's total assets. However, we expect its commercial business exposure to increase as self-operating projects progress through construction and commence operations.

The Company participates in the asset operation business, which mainly involves the leasing of office buildings, and shops. In 2025, asset operation revenue increased by 9.7% YoY to RMB560.0 million. As all the leasing assets were operated by a third-party operator, and adopts profit sharing mechanism with the third-party operator in 2025, the gross profit margin declined from 32.0% in 2024 to 8.4%. As of end-2025, the main 9

leasing properties had a total building area of 802,500 square meters, of which 605,600 square meters had been leased out, implying an occupancy rate of about 75.5%.

In addition, the Company engages in the construction of self-operating projects and seeks to balance project investment through operating income such as market leasing and parking fees. As of end-2025, it had 5 major self-operating projects under construction, including new energy vehicle projects, a residential development project, a cold-chain logistics base, and an agricultural project, with a total planned investment of approximately RMB5.7 billion and remaining investment of approximately RMB5.2 billion. The relatively large project pipeline entails further capital expenditure pressure.

The Company engages in the commodity sales business, covering mineral products, steel, coal, metal materials, and building materials. In 2025, revenue from the commodity sales business decreased by 21.5% YoY to RMB358.3 million, while the gross profit margin declined from 2.6% in 2024 to -3.6%. The revenue decline reflected a contraction in trading activities according to the Company proactive strategic adjustment.

Relatively high debt leverage level

With ongoing public and commercial construction projects, CEDI has maintained relatively high debt leverage. As of 30 June 2026, the Company's total debt increased from RMB91.3 billion at end-2024 to RMB102.7 billion. Its capitalization ratio (total debt/total capital) rose from 68.3% to 70.4% over the same period. Meanwhile, the Company's debt maturity profile improved, with short-term debt declining from RMB36.8 billion at end-2024 to RMB30.9 billion at mid-2026; the proportion of short-term debt to total debt fell from 40.1% to 30.1%. Cash to short-term debt ratio increased from 0.14x at end-2024 to 0.23x at mid-2026. Given the Company's large capital expenditure pressure, we expect the Company to maintain a relatively high debt leverage for the next 12-18 months.

Meanwhile, the Company has a weak asset liquidity profile. As of mid-2026, inventory, long-term receivables and other receivables accounted for 61.0% of the total assets. A substantial part of its assets is tied up in project costs and receivables, whose realization depends on project settlement and payment schedules and are considered less liquid. As of 30 June 2026, restricted assets decreased from RMB15.9 billion at end-2024 to RMB14.0 billion at mid-2026, equivalent to 9.0% of the Company's total assets.

Diversified funding channels

The funding channels of the Company are well diversified. As of 30 June 2026, bank financing accounted for more than 60% of the Company's total debt. The Company has maintained a good relationship with large domestic banks, with an average financing cost of 5.4%. As of 30 June 2026, CEDI held a total bank credit facilities of RMB75.2 billion and an available facility of RMB7.0 billion, which is likely to provide a liquidity cushion when necessary. The Company also stepped into debt capital market. From January 2025 to September 2026, CEDI and SFEP raised RMB6.7 billion from the onshore debt capital market and USD500.0 million and RMB270.0 million from the offshore debt capital market. Over the past year, the Company has decreased its reliance on high-cost non-standard financing. As of 30 June 2026, non-standard financing accounted for 13.1% of the total debt. The Company's overall financing cost decreased to about 5.2% as of the same date. We expect the proportion of non-standard financing will further decrease in the future.

Relatively high contingent risk associated with external guarantees

CEDI has a relatively large exposure to contingent liabilities risk. At mid-2026, the Company provided external guarantees of RMB20.8 billion, representing 48.3% of its net assets. We consider the exposure of the external

guarantee to be relatively high. Given that the external guarantees are provided to local state-owned enterprises, if credit events occur, we believe the government is likely to provide necessary support, which may provide some buffer against relevant risks.

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. CEDI 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.

CEDI is also exposed to social risks as it implements public policy initiatives by building public infrastructure in Longquanyi District. Demographic changes, public awareness, and social priorities shape the government's development strategy, and they 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 Consideration

CEDI's senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company, given its important role in local industrial development and operation in Longquanyi District, thereby mitigating any differences in an expected loss that could result from structural subordination.

Rating Methodology

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

Appendix

Exhibit 5. Peer Comparison

	Chengdu Economic Development Industrial Investment Group Co., Ltd.	Chengdu Sino French Ecological Park Investment Development Co., Ltd.
Long-Term Credit Rating	A _g -	BBB _g +
Shareholder	Chengdu ETDZ Management Committee (91.77%) + Chengdu Urban Development Eastward Development and Construction Co., Ltd. (0.07%) + Chengdu Advanced Manufacturing Industrial Investment Co., Ltd. (4.08%) + Chengdu Industrial Investment Advanced Manufacturing Industry Equity Investment Fund Partnership (4.08%)	CEDI (88.47%) + Chengdu Jingkai Xinrong Enterprise Management Partnership (11.54%)
Positioning	Responsible for development of Sino-French Ecological Park and infrastructure construction in Longquanyi District (Chengdu ETDZ).	Responsible for the construction of infrastructure and public facilities, investment promotion, and other relevant services in the Sino-French Ecological Park
Total Asset (RMB billion)	148.8	45.5
Total Equity (RMB billion)	42.4	11.9

Total Revenue (RMB billion)	5.5	2.3
Total Debt/Total Capital (%)	69.5	72.6

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

Source: Company information, CCXAP research

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