

Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating with Stable Outlook to Xingtai Road and Bridge Construction Group Co., Ltd.

HONG KONG, 9 June 2026 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuer Credit Rating to Xingtai Road and Bridge Construction Group Co., Ltd. (“XRBCG”). The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Xingtai City (“Xingtai government”) would provide strong support to XRBCG if needed, in light of its indirect full ownership of XRBCG, XRBCG’s strategic importance as the key local investment and development company (“LIDC”) for transportation infrastructure construction in Xingtai and the linkage between the Xingtai government and XRBCG, including appointment and supervision of the senior management, strategic alignment, major investment and financing decisions and ongoing operational and financial support. In addition, we believe the Xingtai government has a strong willingness to ensure XRBCG’s business and financial viability in order to safeguard its reputation and local financing activities.

Xingtai is a prefecture-level city located in southern Hebei province. Xingtai’s GDP grew by 5.0% to RMB280.1 billion in 2025, while its budgetary revenue grew by 1.8% to RMB22.1 billion during the same period.

The Stable Outlook reflects our expectation that XRBCG’s strategic importance would remain intact while the Xingtai government will continue to ensure XRBCG’s stable operation.

Key Rating Rationales

Government’s Ownership and Supervision: The Xingtai government holds the full ownership of XRBCG through State-owned Assets Supervision and Administration Commission of People’s Government of Xingtai City (“Xingtai SASAC”) and Xingtai Transportation Construction Group Co., Ltd. Xingtai SASAC is the actual controller of the company. The Xingtai government has strong control and supervision over the company, including the appointment of senior management, decisions on its strategic development and supervision of its major investment and funding plans. In addition, the Xingtai government has an assessment mechanism over the company and regularly appoints auditors to review its operating performance and financial position.

Strategic Importance and Strategic Alignment: XRBCG, as a key LIDC in Xingtai, is mainly responsible for transportation infrastructure construction in Xingtai. The company engages in the construction of highways, bridges, rail transit, tunnels, water resources engineering and other municipal engineering projects. Also, the company undertakes the procurement, sales and trading of building materials. XRBCG plays an important role in promoting the region’s economic and social development. Its business operations and strategic planning have been aligned with the local government’s development plans.

Ongoing Government Support: XRBCG receives ongoing support from the Xingtai government, including financial subsidies and capital, asset and equity injections, to support its business operations. The company received capital injections of RMB16 million and RMB600 million in 2023 and 2025, respectively. Between 2023 and 2025, XRBCG received a wide variety of governmental subsidies of RMB3.1 million, RMB4.2 million and RMB2.1 million, respectively, from the Xingtai government. We believe the government support will remain intact given the company's strategic importance in Xingtai.

XRBCG's Financial Matrix and Liquidity Position: XRBCG's total assets grew steadily to RMB41.3 billion at end-2025 from RMB37.6 billion at end-2023, mainly due to the increase in construction-in-progress, equity investment and receivables. The company's total debt increased to RMB22.3 billion at end-2025 from RMB21.5 billion at end-2023. The company's financial leverage, as measured by the debt to capitalization ratio, decreased to 61.5% at end-2025 from 66.0% at end-2023.

XRBCG's short-term debt servicing pressure was moderately high. The company had a total cash balance of RMB1.8 billion (including restricted cash of RMB0.1 billion) at end- 2025, compared to its debts due within one year of RMB5.2 billion. The company mainly relies on external financing and has access to various financing channels, including bank loans, bond issuance and non-traditional funding, to support its debt repayment and business operations. At end-2025, the company had unused credit facilities of RMB8.2 billion.

Rating Sensitivities

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

We would consider upgrading XRBCG's rating if (1) there is strengthened support from the Xingtai government, or (2) there is an upgrade in our internal credit assessment on the Xingtai government.

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)
The methodology can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party. None of the aforementioned entities nor its related parties participate in the rating process aside from providing information requested by Lianhe Global.

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