

Lianhe Global has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to Xiao County Construction Investment Group Co., Ltd.’s CNY Bonds

HONG KONG, 3 July 2026 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to the CNY650 million, 6.7% senior unsecured bonds due 2029 (“the Bonds”) issued by Xiao County Construction Investment Group Co., Ltd. (“XCCIG”; ‘BBB’/Stable).

XCCIG intends to use the net proceeds from the Bonds for refinancing existing offshore indebtedness.

Key Rating Rationales

The Bonds are rated at the same level as XCCIG’s global scale Long-term Issuer Credit Rating of ‘BBB’ as the Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of XCCIG. The payment obligations of XCCIG under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Xiao County (“Xiao County government”) would provide very strong support to XCCIG if needed. This mainly considers its full ownership of XCCIG, XCCIG’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and state-owned asset management in Xiao County, and the linkage between the Xiao County government and XCCIG, including appointment and supervision of the senior management, strategic alignment, supervision of its major investment and financing decisions, and ongoing operational and financial support. In addition, we believe the Xiao County government has a very strong willingness to ensure XCCIG’s business and financial viability in order to safeguard its reputation and local financing activities.

Xiao County is a county of Suzhou City, Anhui Province and is located in the northwest of Suzhou City. Xiao County’s GDP grew by 5.1% year-over-year to RMB50.5 billion in 2025, while its budgetary revenue reached RMB2.1 billion over the same period.

The Stable Outlook on XCCIG’s rating reflects our expectation that XCCIG’s strategic importance would remain intact while the Xiao County government will continue to ensure XCCIG’s stable operation

Rating Sensitivities

Any rating action on XCCIG’s rating would result in a similar rating action on the Bonds.

We would consider downgrading XCCIG’s rating if (1) there is perceived weakening in support from the Xiao County government, particularly due to its reduced strategic importance, or (2)

there is a significant reduction of the Xiao County government's ownership of XCCIG, or (3) there is a downgrade in our internal credit assessment on the Xiao County government.

We would consider upgrading XCCIG's rating if there is an upgrade in our internal credit assessment on the Xiao County 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 credit rating process aside from providing information requested by Lianhe Global.

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