Lianhe Global has assigned 'A-' global scale Long-term Issuer Credit Rating with Stable Outlook to Zhanjiang Infrastructure Construction Investment Group Co., Ltd.

HONG KONG, [ ] November 2026 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has assigned 'A-' global scale Long-term Issuer Credit Rating with Stable Outlook to Zhanjiang Infrastructure Construction Investment Group Co., Ltd. ("ZICIG"); The Outlook is Stable.

The Issuer Credit Rating reflects a high possibility that the People's Government of Zhanjiang City ("Zhanjiang government") would provide strong support to ZICIG if needed. This mainly considers its indirect vast majority ownership of ZICIG and ZICIG's strategic importance as an important local investment and development company ("LIDC") that is responsible for infrastructure development in Guangdong's Zhanjiang City. The linkage between the local government and ZICIG is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, we believe the local government has a strong willingness to ensure ZICIG's business and financial viability in order to safeguard its reputation and financing activities.

Zhanjiang is a prefecture-level city in Guangdong Province, and a designated provincial sub-center city. Zhanjiang's GDP grew by 4.5% to RMB395.3 billion in 2025, while the Zhanjiang government's budgetary revenue reached RMB21.5 billion, representing a robust year over year growth of 6.9%.

The Stable Outlook reflects our expectation that ZICIG's strategic importance would remain intact while the Zhanjiang government will continue to ensure ZICIG's stable operation.

Key Rating Rationales

Government's Ownership and Supervision: The Zhanjiang State-owned Assets Supervision and Administration Commission ("Zhanjiang SASAC"), as the ultimate controller, indirectly holds 90% shares of ZICIG through Zhanjiang City Development Group Co., Ltd., the largest LIDC by asset size in Zhanjiang. The remaining 10% shares are held by the Finance Department of Guangdong Province ("Guangdong FD"). The local government exercises tight oversight over the company, appointing its senior management and approving its strategic development plans, major investments, and key financing arrangements. Furthermore, ZICIG is subject to a formal performance evaluation framework established by the local government, alongside regular operational and financial reviews conducted by government-appointed auditors.

Strategic Alignment and Importance: ZICIG is an important LIDC responsible for project development in Zhanjiang, undertaking major infrastructure and public facility projects within the region. The company currently focuses on building supporting facilities for BASF's

Verbund petrochemical site on Donghai Island, including industrial park roads, utility corridors, and industrial wastewater treatment. Developed and operated by the leading global chemical company, the site is a world-scale chemical production base central to Zhanjiang's green petrochemical strategy. ZICIG's operations and strategic direction are closely aligned with the local government's economic and social development plans.

Strong Government Support: ZICIG has received ongoing operational and financial support from the local government. The Zhanjiang government provided operational subsidies amounting to RMB374 million between 2023 and the first nine months of 2026. In addition, the local government has strengthened ZICIG's capital base through gratuitous transfers of equity stakes in local SOEs. Given ZICIG's strategic importance, we believe it is likely to receive timely government support.

ZICIG's Financial and Liquidity Position: ZICIG's asset size increased steadily to RMB32.7 billion at end-September 2026 from RMB30.5 billion at end-2023, driven by ongoing capital expenditure in Zhanjiang's development projects. The expansion was primarily funded by debt, causing total debt to rise to RMB14.9 billion from RMB12.9 billion over the same period. Its financial leverage, as measured by debt to capitalization, was elevated to 55.0% from 51.3%. We expect ZICIG's capital expenditure pressure to remain high in the next 1-2 years, given the ongoing investment in BASF-related projects.

ZICIG's short-term debt servicing pressure is moderately high. At end-September 2026, the company held unrestricted cash of RMB2.6 billion, compared to RMB4.0 billion of short-term debt. Nevertheless, ZICIG maintains access to diverse funding sources, including bank loans, bond issuances, and other non-traditional channels to support ongoing operations and debt repayment. As of end-September 2026, ZICIG and its parent ZCDG had total consolidated bank facilities of RMB44.7 billion, of which RMB25.3 billion was unused.

Rating Sensitivities

We would consider downgrading ZICIG'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 ZICIG, or (3) there is a downgrade in our internal credit assessment on the Zhanjiang government.

We would consider upgrading ZICIG'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 Zhanjiang 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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