

Credit Opinion

25 June 2026

Ratings

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

Analyst Contacts

Christy Liu +852-2860 7127
Assistant Director of Credit Ratings
christy_liu@ccxap.com

Cherry Chau +852-2860 7128
Credit Analyst
cherry_chau@ccxap.com

Elle Hu +852-2860 7120
Executive Director of Credit Ratings
elle_hu@ccxap.com

**The first name above is the lead analyst for this rating and the last name above is the person primarily responsible for approving this rating.*

Client Services

Hong Kong +852-2860 7111

Beijing Capital Group Co., Ltd.

Surveillance credit rating report

CCXAP affirms Beijing Capital Group Co., Ltd.'s long-term credit rating at A_g⁺, with stable outlook.

Summary

The A_g⁺ long-term credit rating of Beijing Capital Group Co., Ltd. (“BCG” or the “Company”) is underpinned by the Company’s (1) diversified business profile that tempers industry risk and provides some synergies; (2) stable and recurring cash flow from the environmental protection and rail transit businesses; and (3) strong financing ability with various funding channels.

However, the rating is constrained by the Company’s (1) real estate business that suffers from the lingering weak property market, requiring attention to the subsequent business transformation and profit recovery; and (2) increasing debt burden with high debt leverage.

The rating also reflects a high likelihood of government support from the Beijing Municipal Government, when needed, which is based on the Company’s (1) direct ownership and ultimate control by the Beijing Municipal Government; (2) strong strategic role in China’s development plan for the Beijing-Tianjin-Hebei region; (3) solid track record of receiving ongoing government support, including subsidies, capital injections and asset transfers; and (4) high reputation risk to the government.

The stable outlook on BCG’s rating reflects our expectation that the Company will continue to receive solid support from the Beijing Municipal Government. We also expect the Company to maintain a stable operation and financial profile over the next 12 to 18 months.

Rating Drivers

- High likelihood of support from the Beijing Municipal Government
- Diversified business profile tempers industry risk and provides some synergies
- Stable and recurring cash flow from the environmental protection and rail transit businesses
- Real estate segment suffers from the lingering weak property market
- Weak profitability dragged down by the real estate business
- Increasing debt burden with high debt leverage
- Strong financing ability with various funding channels

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) the likelihood of receiving government support from the Beijing Municipal Government increases such as higher policy roles or greater strategic importance; and (2) the Company's standalone credit profile improves, such as materially improved financial metrics and demonstrated stronger recurring cash flows from its business segments and investments.

What could downgrade the rating?

The rating could be downgraded if (1) the likelihood of receiving government support decreases such as weakened strategic importance and reputation influence to the Beijing Municipal Government; or (2) the Company's standalone credit profile worsens, such as hindered access to funding and eroded liquidity profile.

Key Indicators

Consolidated Level	2023FY	2024FY	2025FY
Total Assets (RMB billion)	400.9	393.1	400.1
Total Equity (RMB billion)	63.8	60.6	58.6
Total Revenue (RMB billion)	57.5	49.6	40.0
Net Profits (RMB billion)	3.0	0.1	-9.8
Return on Equity (%)	4.9	0.2	-16.4
Holding Company Level (HoldCo)	2023FY	2024FY	2025FY
Total Assets (RMB billion)	76.4	86.2	111.4
Total Equity (RMB billion)	22.1	22.5	34.2
Return on Equity (%)	13.8	1.1	-1.4
Debt/Investment Income (x)	12.9	56.1	95.9
Cash/Short-term Debt (x)	0.2	0.7	1.2

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

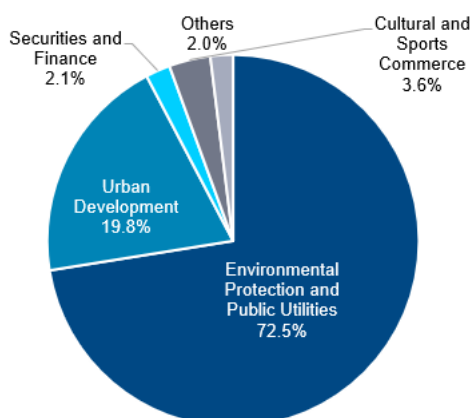
Source: Company data, CCXAP research

Corporate Profile

Established in 1994, BCG is a leading state-owned conglomerate in Beijing. As of 31 December 2025, the Company is wholly owned by the Beijing Municipal Government and directly under the supervision of the State-owned Assets Supervision and Administration Commission of the Beijing Municipality (“Beijing SASAC”). The Company aims to promote the economic development and urban management of Beijing to establish it as a “world class city”. It has formed “3+1” major business segments, covering environmental protection and public utilities, securities and finance, urban development, and cultural and sports commerce.

BCG conducts businesses mainly through its major subsidiaries, such as Beijing Capital Eco-Environment Protection Group Co., Ltd. (“BCEP”) (environmental protection), and Beijing Capital City Development Group Co., Ltd. (“BCCD”) (urban development). The Company also invests in and operates Beijing’s subway lines (including Line 4, Line 14, Line 16 and Line 17) through its 49%-owned joint venture Beijing MTR Co., Ltd. (“Beijing MTR”) (rail transit). In addition, its finance business arms provide financial services from securities to guarantees to a wide range of customers.

Exhibit 1. Revenue of BCG by segments in 2025



Source: Company data, CCXAP research

Rating Considerations

Diversified business profile tempers industry risk and provides some synergies

BCG maintained a diversified business profile covering environmental protection and public utilities (including ecological and environmental protection and rail transit), city development (including social housing and marketable real estate), securities and finance, as well as cultural and sports commerce. This can help temper the Company’s risk exposure to individual segments and offer some synergies. Among its business segments, environmental protection and public utilities, and city development are the two largest revenue contributors, accounting for over 90% of BCG’s total revenue in 2025. Among them, the environmental protection and public utilities division has surpassed urban development to become the Company’s largest business segment.

BCG’s core segments have different industry cyclicalities, which reduces its exposure to operating and investment risks in a single sector. The Company’s environmental protection and public utilities segment (including ecological and environmental protection and rail transit), have provided recurring, stable sources of income and cash flow over the past three years, which somewhat offset the volatility associated with its real estate business. These business segments also showed more resilience during China’s economic slowdown.

In addition, BCG's cross-segment collaboration has generated synergies and enhanced business competitiveness. For example, BCG's real estate business is better positioned to acquire primary land development projects or quality land banks at competitive costs. With broad geographic coverage across its diverse business segments, the Company can also negotiate with local governments for water and land projects simultaneously within the same administrative region, thereby increasing its bargaining power and operating efficiency across segments.

Stable and recurring cash flow from the environmental protection and rail transit businesses

BCG's water and public utilities businesses have provided a steady source of cash flow to service its debts over the past few years. They also give BCG a buffer against the weakened real estate business and more time to execute the business transformation plan.

BCEP, BCG's core business arm in environmental protection, mainly engages in water supply, sewage treatment, solid waste services, and comprehensive air pollution control businesses. It has a leading market position in China's water service industry, with a daily water processing capacity of 12.6 million tons and a daily sewage treatment capacity of 14.7 million tons as at end-2025. BCEP's water service business has a broad geographic coverage in over 140 cities in 28 provinces/autonomous regions. Such a large operating scale and geographic diversification help alleviate the impact of potential operating and policy risks in a region, such as unfavorable regulatory measures on water tariffs or credit risks from individual local governments. In 2025, 3 water supply projects raised tariffs, covering 760 thousand tons per day of water supply capacity; 15 wastewater projects raised tariffs, covering 900 thousand tons per day of treatment capacity. In addition, the Company newly signed contracts for water-related businesses totaled RMB448.0 million in 2025. Given that new projects are coming on stream, tariff hikes at project companies, and efficiency gains from existing assets, earnings growth is expected to be supported. Moreover, BCEP's long-term concessions, averaging more than 20 years in the water service business, ensure operating visibility and provide stable revenue and cash flow streams.

The Company also has a competitive market position in the solid waste treatment industry. In terms of regional layout, the Company has formed a regional pattern covering more than 10 provinces, with the central provinces as the main focus. Among them, the production scale of Henan and Jiangxi provinces, where the Company has a deep presence, accounts for about 60% of the Company's total production capacity.

BCEP's comprehensive air pollution control business covered 13 provinces and 34 cities/districts nationwide, maintaining a stable regional presence. While consolidating existing advantageous market regions, the business expanded to serve 8 new cities, including Fuyang in Anhui Province and Jinan in Shandong Province, further highlighting its regional advantages in Jiangsu, Shandong, Anhui, Henan, Jiangxi, Hunan, and Hubei provinces. In 2025, the municipal air pollution control business secured new contracts worth RMB187.0 million, with an 88.5% renewal rate for existing projects throughout the year.

On the rail transit front, BCG's operations on highways and MTR lines generate stable revenue and cash flow under long-term concession agreements. The Company's metro service arm, Beijing MTR, is one of the major subway operators in Beijing and currently operates four subway lines (including Line 4, Line 14, Line 16, and Line 17) in the city. The total route length of the lines is about 200 km, and 118 stations are now in service. Beijing MTR's ticket revenues are supported by government subsidies and guaranteed by concession agreements, leaving it with minimal exposure to fare changes and volume risk. It recorded revenue of RMB8.5 billion in 2025, growing 0.8% year-on-year. The Beijing metro system is the second busiest one in China, with a strong market demand. The middle section of Beijing Subway Line 17 opened to traffic on 27 December 2025.

From this point on, Line 17 was put into operation, bringing future supplementary revenue growth to Beijing MTR.

However, BCG's highways business may be exposed to some policy risks. The toll revenue from one of its highways, Jingtong Highway, dropped significantly after the Beijing Municipal Government imposed new traffic management measures, including a toll rate adjustment, in 2022. As a result, BCG's total toll revenue showed a decreasing trend over the past three years. The compensation is still being negotiated with the government.

Real estate segment suffers from the lingering weak property market

BCG's real estate business, operated under BCCD, has suffered from industry cyclicality since 2021, as evidenced by declining commercial property sales and reduced profitability. In 2025, the Company focused on selling its existing projects, yet sales performance continued to decline in both volume and price, resulting in property development revenue declining notably to RMB7.5 billion from RMB13.6 billion in 2024. BCCD's contracted sales in commercialized property decreased continuously over the past three years, from RMB26.8 billion in 2022 to RMB7.6 billion in 2024, and RMB4.1 billion in the first nine months of 2025. Despite BCCD's land banks mostly being located in tier-1 or tier-2 cities, we expect its contracted sales to further decline due to the still-weak homebuyer market in China and BCCD's dwindling new development projects over the past two years. The drop in material sales will weaken BCCD's internal resources to service its debt.

Strategically, in the face of a relatively severe macroeconomic environment, BCCD had made some proactive adjustments to its business strategy, actively developing policy-supported businesses such as urban operation, urban renewal, rental housing, and affordable housing, while maintaining a modest pace in the development of commercial housing. In recent years, BCCD has been prudent in its investment in commercial housing, with no new commercial real estate projects in 2023 and 2024 and only one in the first nine months of 2025. In addition, the Company possesses ample undeveloped land in Daxing District, which will provide support for its future business development and transformation. The business transformation will help reduce BCCD's exposure to, and the impact of, future property market volatility. Nevertheless, we believe that the growth of other businesses in the city development segment may, in part, offset the decline in the commercialized property business.

Weak profitability dragged down by the real estate business

The Company's profitability had declined significantly since 2022, and the net profit turned negative in 2025, resulting in a net loss of RMB7.9 billion. This was primarily due to the sluggish performance of its subsidiary, BCCD. The Company's real estate business experienced depressed contracted sales and cautious land acquisition. The slow sales of existing property projects and low gross profit margins, together with impairment provisions on its property development projects and other receivables, resulted in a net loss of RMB12.2 billion for BCCD in 2025.

Furthermore, the Company's return on equity at both the consolidated level and holding company level had been declining over the past three years, with a steep, increasingly negative trend. In addition, the Company demonstrated weak profitability stability, as its profits are closely linked to its investment income. The Company's investment income declined over the past three years. Investment income in 2024 decreased by RMB7.6 billion from 2023, a 66.0% decrease. This was mainly due to the large investment income from the 2023 disposal of a 51% equity stake in Jingzhong (Tianjin) Investment Co., Ltd., whereas there was no such disposal income in 2024. The decrease in investment income in 2025, from RMB3.9 billion to RMB457.4 million, was mainly due to increased losses from joint ventures and associates and the impact of the carryover of

financial asset disposals. The stability and sustainability of investment income will impact the Company's profitability.

Increasing debt burden with high debt leverage

BCG has maintained high debt leverage, driven by its debt-funded expansion in environmental protection and real estate in previous years. As of 31 December 2025, BCG's adjusted total debt (including hybrid securities and adjusted debt items in minority interests) increased to RMB242.7 billion from RMB231.7 billion as at end-2023, with an adjusted capitalization ratio (measured by debt/debt plus equity) raised to 80.6% from 78.4% over the same period, which is higher than most of the major state-owned enterprises in Beijing. Despite the slowdown of BCG's business expansion reduced new funding needs, we expect the Company's debt leverage to remain high over the next 12 to 18 months, in the absence of a solid deleverage plan. The weakened real estate business will constrain the Company's debt reduction through internal cash generation. While the Company's growing social housing enhances its cash flow, such business contribution will be highly subject to the Beijing Municipal Government's roll-out schedule.

We note that BCG's high leverage is also resulting from the debt raising at the holding company level to fund the investments in subsidiaries. As at end-2025, around 28.8% of BCG's debt belongs to the holding company itself. The risks associated with the investments made by the holding company in its subsidiaries are manageable as most of fundings used in the investments in environmental protection, subway businesses, and financial services, which have demonstrated a relatively stable profitability over the past years.

BCG's credit metrics are also deteriorating, as indicated by its debt and interest coverages. As the Company increased its debt level amid weakening profitability, its debt-servicing metrics have sunk. Its debt/EBITDA ratio was -276.5x in 2025, and its EBITDA/interest ratio was low at -0.1x.

Strong financing ability with multiple funding channels

BCG's strong financing ability can be evidenced by its good access to domestic funding, with the support of its full ownership by the Beijing Municipal Government. BCG's good access to funding provides it with financial flexibility and low cost of funding to support its business growth and reserve buffer during down markets.

BCG has an active record in the domestic debt capital market and has a presence in the offshore bond market. For instance, BCG issued two tranches of offshore debt in 2025, raising USD950.0 million. It has also raised funds through its core subsidiaries, including BCEP and BCCD. In May 2026, BCEP issued two tranches of corporate bonds, raising RMB700.0 million and RMB500.0 million at coupon rates of 1.6% and 1.9%, respectively. The low coupon rates outlined in these issuances imply the investor confidence in the Company's strong creditworthiness and high market recognition. As of 19 May 2026, BCG and its subsidiaries had 101 tranches of onshore bonds outstanding (including hybrid securities) with a total outstanding amount of RMB114.3 billion. Despite the unfavorable funding environment for real estate companies, BCCD has recently issued bonds, reflecting the favorable outlook of its business. For instance, in the first four months of 2026, BCCD issued several tranches of private placement bonds and MTN, raising RMB7.2 billion with coupon rates ranging from 2.80% to 3.18%.

Moreover, as an A-share listed company, BCEP (Stock code: 600008.SH) listing on the A-share market allows BCG to raise capital through the onshore capital market. The listing of Capital Securities Co., Ltd. ("Capital Securities", Stock code: 601136.SH), BCG's business arm in securities, on the A share market in December 2022 also opened a new funding channel for BCG's financial services business. Currently, Capital Securities is

advancing its "A+H" dual listing plan. In April 2026, it received a filing notice from the China Securities Regulatory Commission regarding the issuance of overseas listed shares and listing on the main board of the Hong Kong Stock Exchange, with a proposed issuance of no more than approximately RMB1.0 billion H shares.

Given its state-owned background, BCG has received strong recognition from diverse financial institutions and has developed long-term relationship with multiple banks. The Company had total bank facilities of RMB412.0 billion and unused amount of RMB262.8 billion as of 31 December 2025.

External Support

High likelihood of government support from the Beijing Municipal Government

We expect a high likelihood of government support from the Beijing Municipal Government to BCG, in times of need. This expectation incorporates our considerations of the Company's (1) direct ownership and ultimate control by the Beijing Municipal Government; (2) strong strategic role in China's development plan for the Beijing-Tianjin-Hebei region; (3) solid track record of receiving ongoing government support from the local government, including subsidies, capital injections and asset transfers; and (4) high reputation risk to the local government.

The Beijing Municipal Government has strong decision-making and oversight over BCG, as the Company is wholly and directly owned by the Beijing SASAC, which appoints senior management and influences the Company's strategy and key investment decisions. The Company is mandated to undertake government-directed activities, such as primary land development, social housing, and rental housing projects. It maintains an important role in Beijing's economic and social development.

In the past few years, the government has continued to provide ongoing support to BCG. For instance, in 2025, Beijing SASAC injected assets, including land, into BCG, with a total valuation of RMB 12.3 billion. For the period 2024 to 2025, the Company also received operating subsidies from the local government, totaling approximately RMB513.4 million. The state-owned background enables BCG to gain low-cost funding for its long-term business development. As a major bond issuer in Beijing, we expect BCG to pose a high reputational risk to the Beijing Municipal Government.

ESG Considerations

BCG's environmental protection and public utilities operations pose certain environmental risks, including potential noncompliance with local regulations. The Company has established comprehensive targets across water resource management, energy utilization, waste reduction, and greenhouse gas emissions. Initiatives such as AI intelligent control systems for precise chemical dosing and energy-efficient upgrades have reduced consumption intensity and supported lower-carbon operations.

The Company is also exposed to social risks. Affordability and the responsible production of its water supply and sewage treatment service are highly linked to regulations and government policy. A reliable sewage treatment can protect public health and support urban living standards.

In terms of corporate governance, the Company has a relatively sound governance structure and management system, laying a solid foundation for its stable operations and healthy development.

Structural Consideration

BCG's senior unsecured debt rating is equivalent to its long-term credit rating. We did not notch the rating for structural subordination, considering that (1) the Company's diversified business profile (with cash flow generation across its operating subsidiaries) can help mitigate structural subordination risk; and (2) the support from the Beijing Municipal Government will flow through directly to BCG in a financially distressed scenario given the Company's important status, thereby mitigating any differences in expected loss that could result from structural subordination.

The ratings for the bonds (ISINs: XS3035206518 and XS2867168226) correspond to BCG's rating. The bonds were issued by Central Plaza Development Ltd. (the "Issuer") and unconditionally and irrevocably guaranteed by BCG Chinastar International Investment Limited ("Chinastar"), with a keepwell deed by BCG. Chinastar is BCG's sole directly and wholly owned offshore financing platform, which is considered to have close overall linkages with BCG. We expect BCG has strong willingness to support the Issuer and Chinastar in meeting their debt obligations. A default by the Issuer and Chinastar would have significant negative impact on BCG's reputation and future offshore funding activities, which underpins BCG's intention to support the repayment of the bonds. However, there could be some difficulties in enforcing the keepwell deed, which is not as strong as the guarantee.

Rating Methodology

The methodology used in this rating is the Rating Methodology for [Investment Holding Companies \(December 2016\)](#).

Copyright © 2026 China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”). All rights reserved.

No part of this publication may be reproduced, resold or redistributed in any form or by any means, without prior written permission of CCXAP.

A credit rating is the analytical result of current credit worthiness and forward-looking opinion on the credit risk of a rated entity or a debt issue. Credit ratings issued by CCXAP are opinions on the current and relative future credit risk of the rated entities or debt issues, but do not address any other risks, including but not limited to liquidity risk, market price risk, and interest rate risk.

Credit ratings, non-credit assessments, and other opinions included in CCXAP’s publications are not recommendations for investors to buy, sell, or hold particular securities, nor measurements of market value of the rated entities or debt issues. While obtaining information from sources it believes to be reliable, CCXAP does not perform audit and undertakes no duty of independent verification or validation of the information it receives from the rated entities or third-party sources.

All information contained herein belongs to CCXAP and is subject to change without prior notice by CCXAP. CCXAP considers the information contained herein to be accurate and reliable. However, all information is provided on an "as is" and "as available" basis and CCXAP does not guarantee accuracy, adequacy, completeness, or timeliness of the information included in CCXAP’s publications.

To the extent where legally permissible, CCXAP and its directors, officers, employees, agents and representatives disclaim liability to any person or entity (i) for any direct or compensatory losses or damages, including but not limited to by any negligence on the part of, and any contingency within or beyond the control of CCXAP or any of its directors, officers, employees, agents or representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information; and (ii) for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if CCXAP or any of its directors, officers, employees, agents or representatives is advised in advance of the possibility of such losses or damages.

China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656