

CCXAP affirms Nanyang Transportation Holding Group Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 30 December 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed Nanyang Transportation Holding Group Co., Ltd.’s (“NTHG” or the “Company”) long-term credit rating at BBB_g+, with stable outlook.

The BBB_g+ long-term credit rating of NTHG reflects (1) Nanyang Municipal Government’s very strong capacity to provide support, and (2) very high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Nanyang Municipal Government’s capacity to provide support reflects Nanyang City’s gross regional product (“GRP”) ranking 3rd among the prefecture-level cities in Henan Province over the years, underpinned by its geographic advantage with rich agricultural, mineral and water resources.

The rating also reflects the local government’s willingness to support, which is based on the Company’s (1) important role in transportation infrastructure construction and operation of Nanyang City; (2) track record of receiving government support; and (3) access to diversified funding channels. However, the rating is constrained by the Company’s (1) increasing debt burden; (2) moderate asset liquidity; and (3) moderate level of contingent liability risk.

Corporate Profile

Established in 2019, NTHG is an important infrastructure construction and operation entity in Nanyang City. It is primarily responsible for infrastructure construction in Nanyang City, mainly transportation-related infrastructure such as the construction of municipal roads, highways and bridges. In addition, the Company also engages in commercial activities including highway operations, trading and logistics. As of 30 September 2025, the Finance Bureau of Nanyang City is the ultimate controller of the Company, directly holding 65% shares of the Company and indirectly holding the remaining 35% through Nanyang Industrial Investment Group Co., Ltd. (“NYII”).

Rating Rationale

Credit Strengths

Important role in transportation infrastructure construction and operation of Nanyang City. NTHG is positioned as the transportation infrastructure construction and operation entity in Nanyang City. Meanwhile, the Company also carries out infrastructure projects in certain county-level regions under the jurisdiction of Nanyang City through its subsidiaries. Considering the Company’s important role in transportation infrastructure construction and operation of Nanyang City, we believe that the Company will not be easily replaced by other local state-owned enterprises (“SOEs”) in the foreseeable future.

Track record of receiving government support. NTHG has a proven track record of receiving ongoing support from the Nanyang Municipal Government, including capital injection, equity transfers and government subsidies. Given the Company’s public policy role in transportation

infrastructure construction and operation of Nanyang City, we expect NTHG will continue to receive support from the local government in the future.

Access to diversified funding channel. As an important LIIFC in Nanyang City, NTHG has access to different sources of funding, including bank loans, bond issuances and non-standard financing products, which may partially release its capital expenditure pressure. The Company maintains good relationships with large domestic banks, policy banks as well as large joint-stock commercial banks. Moreover, the Company had moderate exposure to non-standard financing, such as financial lease and trust.

Credit Challenges

Increasing debt burden. NTHG's total debt continued to increase in the past two years due to its ongoing investment needs in infrastructure construction projects and self-operated projects. Meanwhile, the Company's unrestricted cash to short-term debt ratio was only 0.3x, indicating insufficient coverage for short-term debt obligations. Given the Company's large capital expenditure pressure in infrastructure construction, we expect the Company may rely on external financing and its debt level will gradually increase over the next 12-18 months.

Moderate asset liquidity. The Company's liquidity profile was moderate. As of 30 September 2025, the Company's total assets mainly consisted of inventories, receivables, long-term equity investment, fixed assets and construction in progress, totally accounting for around 60.5% of its total assets. As a result, this moderate liquidity profile may undermine the Company's financial flexibility in the near term.

Moderate level of contingent liability risk. NTHG's credit profile is constrained by a relatively large number of external guarantees, which could potentially increase its repayment obligations. All external guarantees were provided to local SOEs within Nanyang City, including county-level SOEs and public institutions under its jurisdiction. The Company may face contingent liabilities from regional credit events. Risks associated with guarantees to SOEs are considered moderately controllable due to expected government support.

Rating Outlook

The stable outlook on NTHG's rating reflects our expectation that the Nanyang Municipal Government's capacity to support will remain stable, and the Company will maintain its important role in transportation infrastructure construction and operation of Nanyang City over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to provide support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to provide support, such as improved debt management.

What could downgrade the rating?



The rating could be downgraded if (1) the local government's capacity to provide support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to provide support, such as reduced strategic significance or weakened refinancing capacity.

Rating Methodology

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

Regulatory Disclosures

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