

CCXAP affirms Gansu Province Electric Power Investment Group Co., Ltd.'s A_g- long-term credit rating, with stable outlook.

Hong Kong, 4 February 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of A_g- of Gansu Province Electric Power Investment Group Co., Ltd. (“Gansu Power” or the “Company”), with a stable outlook.

The A_g- long-term credit rating of Gansu Power is underpinned by the Company’s (1) strong regional market position in the power generation sector of Gansu Province; (2) diversified power structure, with increased installed capacity; (3) strong profitability due to decreased fuel costs and increased power generation; and (4) good access to diversified funding channels. However, the rating is constrained by the Company’s (1) vulnerability to electricity tariffs and coal prices; and (2) moderate debt leverage with high capital expenditure pressure.

The rating also reflects our expectation of a high likelihood of support from the Gansu Provincial Government, given Gansu Power’s (1) direct ownership by the Gansu Provincial State-owned Asset Investment Group Co., Ltd. and ultimate control by the Gansu SASAC; (2) high strategic importance in the regional economic development and power supply; and (3) solid track record of receiving government support, including project support and financial subsidies.

Corporate Profile

Founded in 1990, Gansu Power is a leading electric power investment enterprise in Gansu Province. The Company was established with the initial aim of providing electricity power and easing the power shortage in Gansu Province through the construction and operation of power plants and power projects. Gansu Power’s other businesses mainly include public welfare business and data information. As of 30 September 2025, Gansu Provincial State-owned Assets Investment Group Co., Ltd. directly held 100% of the Company’s shares and Gansu State-owned Assets Supervision and Administration Commission (“Gansu SASAC”) was its ultimate controlling shareholder.

Rating Rationale

Credit Strengths

Strong regional market position in the power generation sector of Gansu Province.

Gansu Power is one of the most important state-owned power suppliers in Gansu Province, with strong market position in the power sector of the region. The Company is responsible for the investment, financing, construction, and management of provincial power generation projects. Benefiting from the completion of thermal power construction projects, the Company became the largest total installed capacity holder in Gansu Province. We believe the Company will maintain a strong market position in the region in the foreseeable future.

Diversified power structure, with good operating efficiency and increased installed capacity.

Gansu Power’s electric power investment mainly focuses on thermal power and hydropower projects, and the Company has also strategically diversified its power structure to

include other clean energy such as wind power and solar power, with an aim of increasing power generated from clean and renewable sources. Diversified power structure can hedge industry risks and operation risks arising from environment changes and industry fluctuations. Moreover, the completion of thermal power plant projects significantly increased the Company's installed capacity and thereby improved its power generation capacity.

Strong profitability due to decreased fuel costs and increased power generation.

Benefited by the decreased fuel costs and increased power generation, the Company's profitability remained strong. Given the completion of two major thermal power construction project, we expect that the Company's revenue and earnings will maintain moderate growth in the next 12 to 18 months, given the continuous increase in operating scale and efficiency from the construction projects.

Good access to diversified funding channels. Gansu Power has diversified sources of funding including bank loans, onshore and offshore bonds, and equity financing. The Company maintains good relationships with policy banks such as China Development Bank and large domestic banks such as China Construction Bank. As of 30 September 2025, the Company's total credit facilities amounted to RMB114.1 billion, with unutilized facilities of approximately RMB74.9 billion. The Company also has access to debt capital markets. Besides, Gansu Power has equity financing channels by holding approximately 63.2% of equity interests in GEPIC Energy Development Co., Ltd. ("GEPIC Energy", Stock code: 000791.SZ).

High likelihood of government support from Gansu Provincial Government. We expect a high likelihood of government support from the Gansu Province Government provided to Gansu Power. This expectation incorporates our considerations of the Company's (1) direct ownership by the Gansu Provincial State-owned Asset Investment Group Co., Ltd. and ultimate control by the Gansu SASAC; (2) high strategic importance in the regional economic development and power supply; and (3) solid track record of receiving government support, including project support and financial subsidies.

Credit Challenges

Vulnerability to electricity tariffs and coal prices. Gansu Power's power generation businesses mainly focus on thermal power, which has known negative effects on the environment. In recent years, the central government has enhanced environmental protection policies and heightened clean development of thermal power. Furthermore, a majority of the Company's power plants are fueled by coal. Therefore, its operations and profitability are also directly affected by the availability and coal costs.

Moderate debt leverage with high capital expenditure pressure. Gansu Power's debt leverage maintains at a moderate level, although its debt burden has slightly reduced due to the intensified repayment of debt. The Company's total debt decreased from RMB46.3 billion at end-2023 to RMB44.0 billion as of 30 September 2025, while its total capitalization ratio decreased from 55.2% to 51.5% over the same period. The projects under construction or planning can enhance its operating scale and efficiency after completion of construction, but also exert a certain level of capital expenditure pressure to the Company.

Rating Outlook

The stable outlook on Gansu Power's rating reflects our expectation that the willingness and ability of the local government to provide support to the Company is unlikely to change, and that the Company will sustain its solid market position in the power sector of Gansu Province in the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the business environment further improves as supported by preferential government policies; (2) the Company strengthens business profile in terms of scale and diversification; (3) the Company's operating profitability continues to improve; and (4) the Company lowers its debt leverage and improves its liquidity position.

What could downgrade the rating?

The rating could be downgraded if (1) the business environment is adversely changed, and the current preferential policies are no longer effective; (2) the Company's revenue declines, and profitability deteriorates significantly; (3) the Company's liquidity buffer squeezes; or (4) the Company's credit metrics deteriorate significantly.

Rating Methodology

The methodology used in this rating is the [Rating Methodology for Electric Utilities Industry \(April 2018\)](#).

Regulatory Disclosures

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