

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

Hong Kong, 25 June 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed Beijing Capital Group Co., Ltd.’s (“BCG” or the “Company”) long-term credit rating at A_g+, with stable outlook. At the same time, CCXAP has affirmed its senior unsecured debt rating at A_g+

The A_g+ long-term credit rating of BCG 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.

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.

Rating Rationale

Credit Strengths

High likelihood of government support from the Beijing Municipal Government. The Beijing Municipal Government has strong decision-making and oversight of BCG as the Company is wholly and directly owned by the Beijing SASAC, which appoints senior management and has influence over the Company’s strategy and key investment decisions. It maintains an important role in Beijing’s economic and social development. As a major bond issuer in Beijing, we also expect BCG to bring high reputation risk to the Beijing Municipal Government.

Diversified business profile tempers industry risk and provides some synergies. BCG’s core segments have different industry cyclicalities that reduces its exposure to the operating and

investment risks in a single sector. The Company's environmental protection and public utilities division has provided recurring and stable sources of income in the past years, which somewhat counterbalance the volatility related to its real estate business. In addition, BCG's cross-segment collaboration has generated synergies and enhanced business competitiveness.

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. Beijing Capital Eco-Environment Protection Group Co., Ltd. ("BCEP"), BCG's core business arm in environmental protection, has a leading market position in China's water service industry and a broad geographic coverage. The Company's metro service arm, Beijing MTR Co., Ltd., is one of the major subway operators in Beijing and currently operates four subway lines in the city. Its ticket revenues are supported by government subsidies and guaranteed by concession agreements.

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.

Credit Challenges

Real estate segment suffers from the lingering weak property market. BCG's real estate business, operated under Beijing Capital City Development Group Co., Ltd. ("BCCD"), has suffered from the industry cyclicity since 2021. 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. 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.

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. 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.

Rating Outlook

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.

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.

Rating Methodology

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

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:
http://www.ccxap.com/en/rating_services/category/6/

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