
CCXAP assigns BBB_g+ to Foshan Nanhai Lianda Investment (Holding) Co., Ltd.'s proposed CNY bonds

Hong Kong, 28 August 2025 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has assigned a senior unsecured debt rating of BBB_g+ to the proposed CNY bonds to be issued by Foshan Nanhai Lianda Investment (Holding) Co., Ltd. (“Nanhai Lianda” or the “Company”) (BBB_g+ /stable).

The bonds constitute direct, unconditional, unsubordinated, and unsecured obligations of Nanhai Lianda, which shall at all times rank pari passu with all the Company’s other present and future unsecured and unsubordinated obligations. The Company intends to use the proceeds for the construction of the projects and the replenishment of the working capital.

Corporate Profile

Established in 2004, Nanhai Lianda is an important local infrastructure investment and financing company in Nanhai District. The Company is primary focus on urban development activities including agency construction, and land development and consolidation. It is also involved in other commercial activities such as steel trading and leasing. Nanhai Lianda is ultimately controlled and 90.23% owned by the Foshan Nanhai District State-owned Assets Supervision and Administration Bureau (“Nanhai SASAB”). The Department of Finance of Guangdong Province holds the remaining 9.77% of the Company’s shares.

Rating Rationale

Nanhai Lianda’s senior unsecured debt rating is equivalent to its long-term credit rating. We believe that government support will flow through the Company given its key role in infrastructure construction and land development of Nanhai District, thereby mitigating any differences in an expected loss that could result from structural subordination.

The BBB_g+ long-term credit rating of Nanhai Lianda reflects (1) Nanhai District Government has a very strong capacity to provide support, and (2) the local government’s high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of Nanhai District Government’s capacity to provide support reflects its economic importance in Foshan City, with strong comprehensive strength, ongoing economic growth, and good fiscal balance.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) direct ownership by the local government; (2) key role in infrastructure construction and land development of Nanhai District; and (3) good track record of receiving government support. However, the rating is constrained by the Company’s (1) high exposure to commercial activities; (2) rapid debt growth with certain short-term repayment pressure; and (3) moderate asset quality.

Rating Outlook

The stable outlook on Nanhai Lianda's rating reflects our expectation that the local government's capacity to support will remain stable, and the Company will maintain its important position in the development of Nanhai District.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; and (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as decrease in exposure to commercial activities or improvement in access to funding.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as decrease in its strategic significance; decrease in government payments; or increase in debt burden.

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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