

CCXAP assigns BBB_g to Nan'an Development Investment Group Co., Ltd.'s proposed CNY bonds

Hong Kong, 19 December 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 Nan'an Development Investment Group Co., Ltd. (“NDIG” or the “Company”) (BBB_g/Stable).

The bonds constitute direct, unsubordinated, unconditional and unsecured obligations of NDIG, 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 gross proceeds for refinancing existing offshore indebtedness.

Corporate Profile

NDIG was established in 2009 and is the largest local infrastructure investment and financing company in terms of total assets in Nan'an City, playing a critical public role in infrastructure construction, resettlement housing construction, hydropower generation, grain reserves & rotation and security service. The Company also engages in commercial activities, including trading, pharmaceutical sales, property leasing, and financing guarantees. As of 30 September 2025, the Company is wholly owned and ultimately controlled by the State-owned Assets Supervision and Administration Commission of Nan'an City Government.

Rating Rationale

NDIG'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 critical role as the state-owned asset investment and operation entity in Nan'an City, thereby mitigating any differences in an expected loss that could result from structural subordination.

The BBB_g long-term credit rating of NDIG reflects Nan'an City Government's (1) 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 Nan'an City Government's capacity to support reflects its good comprehensive strength, ranking 40th among the Top 100 counties in China in terms of comprehensive strength in 2024, with ongoing economic and fiscal growth.

The rating also reflects the local government's willingness to support, which is based on the Company's (1) critical role as the state-owned asset investment and operation entity in Nan'an City; (2) high sustainability of urban development and operation business; and (3) good track record of receiving government support.

However, the rating is constrained by the Company's (1) medium exposure to commercial business activities; (2) high debt leverage and weak asset liquidity; and (3) medium exposure to contingent risks.

Rating Outlook

The stable outlook on NDIG's rating reflects our expectation that Nan'an City Government's capacity to provide support will remain stable, and the Company will maintain its important public role in urban development and service operation in urban and rural areas of Nan'an City over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) Nan'an City 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 a material decrease in external guarantees, or improved debt management.

What could downgrade the rating?

The rating could be downgraded if (1) Nan'an City 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 a decrease in importance of its policy role, material decrease in government payments, or deteriorated debt management.

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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