

CCXAP affirms Heze Finance Investment Group Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 25 February 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed Heze Finance Investment Group Co., Ltd.’s (“HZFI” or the “Company”) long-term credit rating at BBB_g+, with stable outlook.

The BBB_g+ long-term credit rating of HZFI reflects Heze Municipal Government’s (1) very strong capacity to support; and (2) very high willingness to provide support, based on our assessment of the Company’s characteristics. Our assessment of the local government’s capacity to provide support reflects Heze City’s increasing economic strength and moderate fiscal metrics.

The rating also reflects the local government’s very high willingness to provide support, based on the Company’s (1) strategic role in investing and constructing key municipal projects and the economic and social development of Heze City; and (2) good track record of receiving government supports. However, the rating is constrained by the Company’s (1) high exposure to commercial activities; and (2) medium contingent risks resulting from external guarantees.

Corporate Profile

Founded in March 1994, HZFI is an important local infrastructure investment and financing company (“LIIFC”) in Heze City, which is one of the leading entities in the development blueprint of Heze Municipal Government. The Company plays a strong strategic role in the social, economic, and urban development of Heze City. Specifically, HZFI is responsible for major public policy projects, including infrastructure construction, land development and consolidation, policy-oriented grain storage, and public transportation. It also engages in commercial activities such as sales of housing, sales of commercial food and edible oil, cultural tourism, as well as industrial investment. As of 30 September 2025, the State-owned Assets Supervision and Administration Commission of Heze Municipal Government (“Heze SASAC”) had 100% ownership of HZFI.

Rating Rationale

Credit Strengths

Strategic role in investing and constructing key municipal projects and the economic and social development of Heze City. HZFI is one of the most important LIIFCs in Heze City that undertakes city development projects and provision of public services. It is also positioned as a pivotal entity in state-owned capital operation in Heze City. HZFI focuses on the key infrastructure construction projects, policy-oriented grain storage, public transportation, as well as land development and consolidation, which are crucial to the economic and social development of Heze City. The Company has performed well in undertaking major livelihood projects in Heze City.

Good track record of receiving government supports. HZFI has a good track record of receiving support from the local government in terms of subsidies, capital injection, special

funds, as well as assets and equity transfers. Since its establishment, HZFI has received cash and asset injections such as equity shares and buildings from the local government, which have greatly improved its capital strength and increased operating assets. Moreover, the local government provided special bond funding to support the Company's construction projects. Considering HZFI's strategic and strong policy role in Heze City, we expect the local government will continue to provide support to the Company over the next 12 to 18 months.

Credit Challenges

High exposure to commercial activities. HZFI engages in various commercial activities, including the sale of commercial food and edible oil, property sales, self-operated projects, cultural tourism, and industrial investment. These commercial activities generate supplementary revenue for the Company but also entail higher operational and business risks than its public activities, and some of the commercial activities are subject to volatile market and counterparties risk. We consider HZFI's commercial business exposure remains high, accounting for more than 30% of its total assets by our estimation.

Medium contingent risks resulting from external guarantees. HZFI maintained a moderate exposure to external guarantees. All existing external guarantees were provided to other state-owned enterprises in Heze City. However, in case a credit event occurs, the Company may face certain contingent liability risks.

Rating Outlook

The stable outlook on HZFI's rating reflects our expectation that the local government's capacity to provide support will remain stable, and the Company will maintain its strategic role in the economic and social development of Heze City over the next 12-18 months.

What could upgrade the rating?

The rating could be upgraded if (1) Heze Municipal Government's capacity to support strengthens; or (2) the Company's characteristics change in a way that enhances the local government's willingness to support, such as lowered exposure to risky commercial activities materially.

What could downgrade the rating?

The rating could be downgraded if (1) Heze Municipal 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 reduced strategic significance, decreased 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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