

CCXAP affirms Foshan Nanhai Lianda Investment (Holding) Co., Ltd.'s long-term credit rating at BBB_g+, with stable outlook.

Hong Kong, 25 August 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited (“CCXAP”) has affirmed the long-term credit rating of Foshan Nanhai Lianda Investment (Holding) Co., Ltd. (“Nanhai Lianda” or the “Company”) at BBB_g+, with stable outlook. At the same time, CCXAP has affirmed its senior unsecured debt rating at BBB_g+

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 and good fiscal balance.

The rating also reflects the local government’s willingness to provide support, which is based on the Company’s (1) key role in infrastructure construction and land development of Nanhai District; and (2) 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; and (3) moderate asset quality.

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 trading and property 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

Credit Strengths

Key role in infrastructure construction and land development of Nanhai District. As a key entity in Nanhai District’s infrastructure and state-owned asset operations, Nanhai Lianda has completed numerous construction and development projects, including agency construction projects and land consolidation, significantly advancing the region’s urbanization. With upcoming cultural and tourism projects, the Company will expand into related operations. Given its strategic role, Nanhai Lianda is unlikely to be replaced by other local SOEs in the foreseeable future.

Good track record of receiving government support. As an important urban development and operation entity in Nanhai District, the Company has a proven history of receiving support from Nanhai District Government through various channels including asset injection, capital

injections and subsidies. Given its important position in the development of Nanhai District, we believe that the Nanhai District Government will continue to provide support to the Company.

Credit Challenges

High exposure to commercial activities. Nanhai Lianda's commercial businesses mainly include property leasing and management, trading, and power and fuel supply businesses. We consider the Company's exposure to commercial businesses to be high, accounting for around 35% of its total assets. The power and fuel supply business is susceptible to macro situation and steel trading is subject to high concentration risk. Nonetheless, the leasing business demonstrates manageable business risk, with high occupancy rate.

Rapid debt growth. The Company's total debt increased from RMB10.8 billion at end-2024 to RMB11.3 billion at end-2025, with a total capitalization ratio of 52.4%. Nonetheless, the Company's short-term debt burden has reduced. As of 31 December 2025, its short-term debt accounted for 26.3% of total debt and its cash to short-term debt ratio increased from 0.4x at end-2024 to 0.5x.

Moderate asset quality. Nanhai Lianda's asset quality is moderate, which may undermine its financial flexibility. The Company's assets mainly consist of inventories and investment properties, all with low liquidity. The inventories are development costs of the construction projects, while the investment properties are properties for leasing, totally accounting for around 64.4% of total asset at end-2025.

Rating Outlook

The stable outlook on Nanhai Lianda's rating reflects our expectation that for the next 12 to 18 months, 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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The first name below is the lead rating analyst for this rating and the last name below is the person primarily responsible for approving this rating.

Peter Chong

Associate Director of Credit Ratings

+852-2860 7124

peter_chong@ccxap.com

Elle Hu

Executive Director of Credit Ratings

+852-2860 7120

elle_hu@ccxap.com

Client Services: +852-2860 7111



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China Chengxin (Asia Pacific) Credit Ratings Company Limited

Address: Suites 1904-1909, 19/F, Jardine House,
1 Connaught Place, Central, Hong Kong

Website: www.ccxap.com

Email: info@ccxap.com

Tel: +852-2860 7111

Fax: +852-2868 0656