Lianhe Global has affirmed 'BBB+' global scale Long-term Issuer and Issuance Credit Rating of Foshan Nanhai Lianda Investment (Holding) Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 31 December 2024 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has affirmed 'BBB+' global scale Long-term Issuer Credit Rating to Foshan Nanhai Lianda Investment (Holding) Co., Ltd. ("FNLI" or "the company"). The Outlook is Stable.

Lianhe Global has also affirmed 'BBB+' global scale Long-term Issuance Credit Rating of the senior unsecured CNY Green Bonds issued by FNLI at the same time. A full list of affirmed issuance rating is included in this press release.

The Stable Outlook reflects our expectation that FNLI's strategic importance would remain intact while the Nanhai District government will continue to ensure FNLI's stable operation.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the Nanhai District People's government ("the Nanhai District government") would provide strong support to FNLI if needed, in light of its 90.14% ownership of FNLI, FNLI's strategic importance as an important local investment and development company that is responsible for urban development and state-owned assets operation in Nanhai District of Foshan City, Guangdong Province, and the strong linkage between the Nanhai District government and FNLI, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Nanhai District government may face significant negative impact on its reputation and financing activities should FNLI encounters any operational and financial difficulties.

Rating Sensitivities

We would consider downgrading FNLI's rating if (1) there is perceived weakening in support from the Nanhai District government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Nanhai District government's ownership of FNLI, or (3) there is a downgrade in our internal credit assessment on the Nanhai District government.

We would consider upgrading FNLI's rating if (1) there is strengthened support from the Nanhai government, or (2) there is an upgrade in our internal credit assessment on the Nanhai government.

Any rating action on FNLI's rating would result in a similar rating action on the bonds.

Full List of Issuance Rating

- CNY1,450 million, 3.5% senior unsecured Green Bonds due 2027 affirmed at 'BBB+'

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local investment and development companies, and other asset classes around the globe. Lianhe Global also provides credit risk research and other services related to credit ratings.

Rating Methodology

The principal methodology used in this FNLI's rating is Lianhe Global's *China Local Investment and Development Companies Criteria* published on 31 July 2024, which can be found at the website www.lhratingsglobal.com.

Note: The above Issuer Credit Ratings are solicited at the request of the rated entity or a related third party. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

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