

Lianhe Global has upgraded the global scale Long-term Issuer Rating of Heshan Public Asset Management Co., Ltd. to ‘BBB’ from ‘BBB-’; Issuer Rating Outlook Stable

HONG KONG, 7 August 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Heshan Public Asset Management Co., Ltd. (“HPAM” or “the company”) to ‘BBB’ from ‘BBB-’. The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating upgrade reflects HPAM’s enhanced strategic importance, driven by its higher contributions in industrial operations in Heshan City, Jiangmen City (“Heshan”). The company has further expanded its mandate to encompass the construction and development of industrial parks, while broadening the scope of other businesses—photovoltaic power generation, EV charger stations, plant leasing, affordable housing construction and property management, etc. These initiatives are fully aligned with the local government’s plan for industrial transformation and upgrading, which helps to attract investment and accelerate industrial growth.

We believe this continues to reflect a high possibility that the People’s Government of Heshan City, Jiangmen City (“Heshan government”) would provide very strong support to HPAM if needed, in light of its indirect full ownership of HPAM, HPAM’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and industrial operations in Heshan, and the linkage between the Heshan government and HPAM, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Heshan government may face significant negative impact on its reputation and financing activities if HPAM encounters any operational and financial difficulties.

Heshan City is a county-level city under the jurisdiction of Guangdong Province (“Guangdong”), and is currently administered by Jiangmen City. It is located in the hinterland of the Pearl River Delta in southern Guangdong. Heshan’s GDP grew by 5.1% in 2024 to RMB53.1 billion, while budgetary revenue was RMB3.9 billion in 2024, representing a year-over-year growth rate of 3.4%.

The Stable Outlook reflects our expectation that HPAM’s strategic importance would remain intact while the Heshan government will continue to ensure HPAM’s stable operation.

Rating Sensitivities

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

We would consider upgrading HPAM's rating if there is an upgrade in our internal credit assessment on the Heshan government.

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.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)
The methodology can be found at the website www.lhratingsglobal.com.

Note: The above Issuer/Issuance 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 rating process aside from providing information requested by Lianhe Global.

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