Press Release
13 October 2025

Lianhe Global has assigned 'A+' global scale Long-term Issuance Credit Rating to Zhuhai Huafa Group Co., Ltd.'s proposed CNY Bonds

HONG KONG, 13 October 2025 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has assigned 'A+' global scale Long-term Issuance Credit Rating to the senior unsecured CNY Bonds ("the Bonds") to be issued by Huafa 2024 I Company Limited ("Huafa 2024 I"), a wholly-owned subsidiary of Zhuhai Huafa Group Co., Ltd. ("ZHG"; 'A+'/Stable).

The Bonds constitute Huafa 2024 I's direct, unconditional, unsubordinated and unsecured obligations which shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. The Bonds are unconditionally and irrevocably guaranteed by ZHG.

ZHG intends to use the net proceeds from this offering for refinancing existing offshore indebtedness.

Key Rating Rationales

The Bonds are rated at the same level as ZHG's global scale Long-term Issuer Credit Rating ("LTICR") of 'A+' as they are unconditionally and irrevocably guaranteed by ZHG, and ZHG's obligations for the Bonds shall at all times at least rank pari passu with all its other present and future unsecured and unsubordinated obligations.

ZHG's LTICR reflects a high possibility that the People's Government of Guangdong Province ("Guangdong government") and the People's Government of Zhuhai City, Guangdong Province ("Zhuhai government") would provide strong support to ZHG if needed. This mainly considers their ownership of ZHG, ZHG's strategic importance as a core local investment and development company ("LIDC") for urban construction and operation, industrial and finance development, and state-owned asset management in Zhuhai City, Guangdong Province ("Zhuhai"). In addition, the linkage between the local government and ZHG is strong, including management supervision, strategic alignment and ongoing operational and financial support. Moreover, the local government may face significant negative impact on its reputation and financing activities if ZHG encounters any operational and financial difficulties.

Zhuhai is a prefecture city of Guangdong and it is one of the five Special Economic Zones. Zhuhai's GDP grew steadily by 3.5% year-over-year in 2024 and reached RMB447.9 billion. The budgetary revenue of Zhuhai for the year amounted to RMB47.5 billion.

The Stable Outlook on ZHG's rating reflects our expectation that ZHG's strategic importance would remain intact while the Guangdong and Zhuhai government will continue to ensure ZHG's stable operation.

Rating Sensitivities

Any rating action on ZHG's rating would result in a similar rating action on the Bonds.

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

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