

Lianhe Global: Zhongliang Holdings Group Company Limited's Long-term Issuance Credit Rating Unaffected by the Proposed USD Notes Tap Issuance

HONG KONG, 5 January 2021 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, says Zhongliang Holdings Group Company Limited’s (2772.HK) (“Zhongliang”, ‘BB’/Stable) proposed tap issuance of its USD250 million 9.5% senior notes due 2022 will not affect the ‘BB’ rating on the notes.

The proposed tap issuance will carry the same terms and conditions as the existing USD notes and is rated at the same level as Zhongliang's global scale Long-term Issuer Credit Rating of ‘BB’ because they constitute Zhongliang’s senior and unsecured obligations.

Zhongliang’s rating reflects Zhongliang’s established market position and a nationwide footprint in tier 2 and tier 3 cities of the Yangtze River Delta Region. Zhongliang’s rating is constrained by its elevated financial leverage as a result of debt-funded expansion in the prior years.

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Rating Methodology

The principal methodology used in this Zhongliang’s rating is Lianhe Global’s General Corporate Rating Criteria published on 16 July 2018, which 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.

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