

**Lianhe Global has assigned ‘BBB-’ to Agile Group Holdings Ltd.’s proposed USD sustainable notes**

HONG KONG, 15 July 2021 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to the proposed senior unsecured USD sustainable notes (“the USD notes”) to be issued by Agile Group Holdings Ltd. (3383.HK) (“Agile”, ‘BBB-’/Stable).

Agile intends to use the net proceeds from this offering for refinancing its existing indebtedness in accordance with its sustainable finance framework.

**Key Rating Rationales**

The USD notes are rated at the same level as Agile’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as they constitute Agile’s senior and unsecured obligations. Agile’s obligations for the USD notes shall rank pari passu with all its other present and future unsecured and unsubordinated obligations.

The Issuer Rating reflects Agile’s national footprint with a focus on the eastern and southern regions of China, above-average profitability, and diversifying revenue source. However, Agile’s rating is constrained by its moderately high financial leverage, moderate but improving interest coverage, and exposure to short-term borrowings and alternative financings.

The Stable Outlook reflects our expectation that Agile will maintain its national market position and moderate debt expansion pace in tandem with its contracted sales scale. At the same time, we expect Agile to maintain its stable and above-average profitability through its existing low-cost land portfolio and continue diversifying its revenue and funding channels, as well as reducing its reliance on short-term borrowings in the next 12-18 months.

**Rating Sensitivities**

Any rating action on Agile’s rating would result in a similar rating action on the USD notes.

We would consider downgrading Agile’s rating if it were to (1) aggressively expand and replenish its land bank which results in an increase in its financial leverage as measured by debt/capitalization to over 65% or a decrease in its EBITDA interest coverage to below 3.0x consistently, and/or (2) its operating performance were to deteriorate such that its contracted sales and/or revenue experience a material decline or liquidity profile is worsened.

We would consider upgrading Agile’s rating if it were to (1) considerably increase its operating scale while maintaining competitive position in its core markets, and (2) maintain its financial

leverage as measured by debt/capitalization at below 50% or EBITDA interest coverage at above 5.0x consistently.

### **About Lianhe Global**

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, 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 Agile'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](http://www.lhratingsglobal.com).

**Note:** The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

### **Contact Information**

Primary Analyst  
Alex Kung  
Senior Director  
(852) 3462 9577  
[alex.kung@lhratingsglobal.com](mailto:alex.kung@lhratingsglobal.com)

Committee Chairperson  
Ben Yau  
Director  
(852) 3462 9586  
[ben.yau@lhratingsglobal.com](mailto:ben.yau@lhratingsglobal.com)

Business Development Contact  
Joyce Chi  
Managing Director  
(852) 3462 9569  
[joyce.chi@lhratingsglobal.com](mailto:joyce.chi@lhratingsglobal.com)

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