

**Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to Hangzhou Linjiang Investment Development Co., Ltd.’s USD notes**

HONG KONG, 5 December 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to the senior unsecured USD notes (“the USD notes”) issued by Hangzhou Linjiang Investment Development Co., Ltd. (“Linjiang Investment”; ‘BBB+’/Stable)’s indirect wholly-owned subsidiary, LinJiang Investment and Development (BVI) Co., Ltd, which is unconditionally and irrevocably guaranteed by Linjiang Investment.

Linjiang Investment intends to use the net proceeds from this offering for refinancing its existing indebtedness.

**Key Rating Rationales**

The USD notes are rated at the same level as Linjiang Investment’s global scale Long-term Issuer Credit Rating of ‘BBB+’ as Linjiang Investment has unconditionally and irrevocably guaranteed the USD notes. Linjiang Investment’s obligations for the USD notes shall at all times at least rank pari passu with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Qiantang District (“Qiantang government”) would provide strong support to Linjiang Investment if needed, in light of its full ownership of Linjiang Investment, Linjiang Investment’s strategic position as the major LGFV participating in infrastructure construction and state-owned asset operation in Qiantang District, especially in the Xiaoshan Linjiang High-tech Industrial Park, as well as the strong linkage between the Qiantang government and Linjiang Investment, including control of the board of directors, management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Qiantang government may face significant negative impact on its reputation, business and financing activities should Linjiang Investment encounter any operational or financial difficulties.

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

**Rating Sensitivities**

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

We would consider downgrading Linjiang Investment’s rating if (1) there is perceived weakening in support from the Qiantang government, particularly due to its reduced strategic

importance with diminished government functions, or (2) there is a significant reduction of the Qiantang government's ownership of Linjiang Investment, or (3) there is a downgrade in our internal credit assessment on the Qiantang government.

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

### **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 Linjiang Investment's rating is Lianhe Global's LGFV Rating Criteria published on 31 December 2021 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.

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