

**Lianhe Global has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to Jiande State-owned Assets Investment Holding Group Co., Ltd.’s proposed senior unsecured bonds**

HONG KONG, 25 August 2023 – 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 bonds (“the Bonds”) to be issued by Jiantou International (Hong Kong) Co., Ltd. (“JIHK”), a subsidiary 90% indirectly owned by Jiande State-owned Assets Investment Holding Group Co., Ltd. (“JSAI”; ‘BBB’/Stable).

JSAI intends to use the net proceeds from this offering for project construction and supplement of working capital.

**Key Rating Rationales**

The Bonds are rated at the same level as JSAI’s global scale Long-term Issuer Credit Rating of ‘BBB’, as JSAI will either provide unconditionally and irrevocably guarantee or keepwell deed to the Bonds. JSAI’s obligations for the bonds under the guarantee shall at all times at least rank pari passu with all its other present and future unsubordinated and unsecured obligations. Alternatively, JSAI will offer keepwell deed, liquidity support and equity interest purchase undertaking, which shows JSAI’s strong willingness to support JIHK in meeting its debt obligations. In addition, a default by JIHK would have significant negative impact on JSAI’s reputation and future funding capability, which underpins JSAI’s intention to support.

JSAI’s issuer rating reflects a high possibility that the People’s Government of Jiande (“Jiande government”) would provide very strong support to JSAI if needed, in light of its full ownership of JSAI, JSAI’s strategic importance as the largest local investment and development company in terms of asset size and the most important development and operation entity in Jiande, and the linkage between the Jiande government and JSAI, including the appointment of the senior management, strategic alignment, supervision of major financing plan and investment decisions and ongoing operational and financial support. In addition, the Jiande government may face significant negative impact on its reputation and financing activities if JSAI encounters any operational and financial difficulties.

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

**Rating Sensitivities**

Any rating action on JSAI’s rating would result in a similar rating action on the Bonds.

We would consider downgrading JSAI’s rating if (1) there is perceived weakening in support from the Jiande government, particularly due to its reduced strategic importance with

diminished government functions, or (2) there is a significant reduction of the Jiande government's ownership of JSAI, or (3) there is a downgrade in our internal credit assessment on the Jiande government.

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

### **Rating Methodology**

The principal methodology used in this JSAI's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, 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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