

**Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Guangyuan Lizhou Development Holding (Group) Co., Ltd.’s proposed senior unsecured bonds**

HONG KONG, 28 September 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 Guangyuan Lizhou Development Holding (Group) Co., Ltd. (“GLDH”; ‘BBB-/Stable’).

GLDH 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 GLDH’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as the Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of GLDH. The payment obligations of GLDH under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the Lizhou People’s Government (“the Lizhou district government”) would provide strong support to GLDH if needed. This mainly considers the Lizhou district government’s full ownership of GLDH, GLDH’s strategic importance as an important local investment and development company responsible for infrastructure development in Lizhou District, and the linkage between the Lizhou district government and GLDH, including the appointment of senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the Lizhou district government may face significant negative impact on its reputation and financing activities if GLDH encounters any operational and financial difficulties.

The Stable Outlook on GLDH’s rating reflects our expectation that GLDH’s strategic importance would remain intact while the Lizhou district government will continue to ensure GLDH’s stable operation.

**Rating Sensitivities**

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

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

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