

## **Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Lujiang County Rural Revitalization Investment Co., Ltd.’s proposed senior unsecured bonds**

HONG KONG, 1 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 Lujiang County Rural Revitalization Investment Co., Ltd. (“LCRRI”; ‘BBB-/Stable’).

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

LCRRI’s Issuer Credit Rating reflects a high possibility that the People’s Government of Lujiang County, Hefei City (“Lujiang government”) would provide strong support to LCRRI if needed, in light of its full ownership of LCRRI, LCRRI’s strategic importance as the main local investment and development company (“LIDC”) that is responsible for promoting the rural revitalization in Lujiang County, Hefei City (“Lujiang”) (“Hefei”), and the linkage between the Lujiang government and LCRRI, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Lujiang government may face significant negative impact on its reputation and financing activities if LCRRI encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

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

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

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