

## **Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to Hunan Hi-Tech Investment Holding Group Co., Ltd.'s proposed senior unsecured bonds**

HONG KONG, 17 November 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 Hunan Hi-Tech Investment Holding Group Co., Ltd. (“HHI”; ‘BBB+/Stable’).

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

HHI’s Issuer Credit Rating reflects a high possibility that the Zhuzhou High-tech Industrial Development Zone Management Committee (“Zhuzhou High-tech Zone MC”) (the de facto local government of Zhuzhou High-tech Industrial Development Zone (“Zhuzhou High-tech Zone”)) would provide very strong support to HHI if needed. This mainly considers the Zhuzhou High-tech Zone MC’s full ownership of HHI, HHI’s strategic importance as the most important local investment and development company (“LIDC”) responsible for the development and operation of Zhuzhou High-tech Zone in Zhuzhou City (“Zhuzhou”), and the strong linkage between the local government and HHI, including strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the Zhuzhou High-tech Zone MC may face significant negative impact on its reputation and financing activities if HHI encounters any operational and financial difficulties.

The Stable Outlook on HHI’s Issuer Credit Rating reflects our expectation that HHI’s strategic importance would remain intact while the Zhuzhou High-tech Zone MC will continue to ensure HHI’s stable operation.

### **Rating Sensitivities**

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

We would consider downgrading HHI’s rating if (1) there is perceived weakening in support from the local government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the local government’s

ownership of HHI, or (3) there is a downgrade in our internal credit assessment on the local government.

We would consider upgrading HHI's rating if there is an upgrade in our internal credit assessment on the local 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 HHI'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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