

Lianhe Global has assigned ‘BBB+’ global scale Long-term Issuance Credit Rating to Changsha Jinzhou New City Investment Holding Group Co., Ltd.’s proposed senior unsecured bonds

HONG KONG, 12 January 2024 – 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 Changsha Jinzhou New City Investment Holding Group Co., Ltd. (“CJNCI”; ‘BBB+/Stable’).

CJNCI 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 CJNCI’s global scale Long-term Issuer Credit Rating of ‘BBB+’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of CJNCI. The payment obligations of CJNCI 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 People’s Government of Changsha City, Hunan Province (“Changsha government”) would provide moderately strong support to CJNCI if needed, in light of its controls over CJNCI through its representative office, The Ningxiang High-tech Industrial Development Zone Management Committee (“Ningxiang HIDZ MC”), CJNCI’s strategic importance as the sole local investment and development company (“LIDC”) that is responsible for infrastructure construction and state-owned asset operation in Ningxiang High-tech Industrial Development Zone (“Ningxiang HIDZ”), and the linkage between the Changsha government and CJNCI, 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 Changsha government and Ningxiang HIDZ MC may face negative impact on its reputation and financing activities if CJNCI encounters any operational and financial difficulties.

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

Rating Sensitivities

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

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

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

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

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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