

**Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Emeishan Modern Agricultural Development Group Co., Ltd.'s proposed senior unsecured bonds**

HONG KONG, 27 February 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 Emeishan Modern Agricultural Development Group Co., Ltd. (“EMADG”; ‘BBB-/Stable’).

EMADG 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 EMADG’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of EMADG. The payment obligations of EMADG 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 Emeishan City, Leshan City (“Emeishan government”) would provide strong support to EMADG if needed, in light of its full ownership of EMADG, EMADG’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction, rural revitalization and affordable housing construction in Emeishan City, Leshan City (“Emeishan”), and the linkage between the Emeishan government and EMADG, 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 Emeishan government may face significant negative impact on its reputation and financing activities if EMADG encounters any operational and financial difficulties.

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

**Rating Sensitivities**

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

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

government's ownership of EMADG, or (3) there is a downgrade in our internal credit assessment on the Emeishan government.

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