

Lianhe Global has affirmed ‘A’ global scale Long-term Issuer Credit Rating of Jinhua State-owned Capital Operation Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 26 March 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘A’ global scale Long-term Issuer Credit Rating of Jinhua State-owned Capital Operation Co., Ltd. (“JSCO”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that Jinhua Municipal People’s Government (“Jinhua government”) would provide strong support to JSCO if needed, in light of its full ownership of JSCO, JSCO’s strategic importance as the flagship local investment and development company responsible for urban development and city operation in Zhejiang’s Jinhua City (“Jinhua”), and the linkage between the Jinhua government and JSCO, including the appointment of the senior management, strategic alignment, supervision of major financing plan and investment decisions and ongoing operational and financial support. In addition, the Jinhua government may face significant negative impact on its reputation and financing activities if JSCO encounters any operational and financial difficulties.

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

Rating Sensitivities

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

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