

Lianhe Global has affirmed the global scale Long-term Issuer Credit Ratings of three Zhejiang-based Local Investment and Development Companies; Issuer Rating Outlooks are Stable

HONG KONG, 2 July 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Ratings of Jiangshan Economic Development Zone Construction Investment Group Co., Ltd. (“JEDZC”), ‘A-’ global scale Long-term Issuer Credit Ratings of Zhejiang Changsanhe Holding Group Co., Ltd. (“ZCHG”), and ‘BBB’ global scale Long-term Issuer Credit Ratings of Haining Jianshan New Area Development Co., Ltd. (“HJNAD”). The Outlooks are Stable.

Key Rating Rationales

The affirmation of the ratings with Stable Outlooks for JEDZC, ZCHG, and HJNAD mainly reflects their continued strategic importance in supporting the local economy and social development and Lianhe Global’s belief that the support ability and willingness of their local government owners for the three companies remain unchanged.

JEDZC is a key LIDC responsible for the investment, development and operation of infrastructure construction projects in the Jiangshan Economic Development Zone, Zhejiang Province. Its business operation continues to play a significant role in promoting local industrial development and city’s operation in Jiangshan. The Jiangshan government holds the full ownership of JEDZC through the Finance Bureau of Jiangshan City’s fully-owned subsidiary, Jiangshan City State-owned Assets Management Co. Ltd. Jiangshan realized GDP of RMB43.0 billion in 2024, representing a year-over-year growth of 6.1%, while the budgetary revenue recorded at RMB3.5 billion.

ZCHG is the sole implementation body for infrastructure investment, construction and operation in Huzhou City, Zhejiang Province, especially in Yangtze River Delta (Huzhou) Industrial Cooperation Zone (“Changhe Area”). It is primarily responsible for the industrial land development, construction of roads and other projects, industry cultivation and investment promotion within the Changhe Area. Additionally, it also undertakes infrastructure projects in the neighboring areas. With the support of the local government, the company actively participates in and contributes to the integration of the Yangtze River Delta. The Huzhou government indirectly holds the majority ownership of ZCHG through State-owned Assets Supervision and Administration Commission of Huzhou City and other LIDCs in the region, and is the actual controller of the company. Huzhou achieved a 5.8% GDP growth to RMB421.3 billion in 2024, while the budgetary revenue increased by 0.1% to RMB41.1 billion.

HJNAD is the sole entity responsible for land consolidation and development, infrastructure investment and construction and state-owned asset management in Haining Economic Development Zone and Haining Jianshan New District with strong regional advantage. It

undertakes important municipal public projects such as road and bridge construction, river training and green projects. The Haining government holds the majority ownership of HJNAD through State-owned Assets Supervision and Administration Office of Haining's subsidiaries, Zhejiang Xinghai Holding Group Co. Ltd. and Haining Asset Management Company. The Haining government is the actual controller of the company. Haining's GDP increased by 5.7% to RMB139.7 billion in 2024. Meanwhile, the Haining government's budgetary revenue increased by 2.0%, to RMB10.2 billion.

Rating Sensitivities

We would consider downgrading the three companies' ratings if (1) there is perceived weakening in support from their local government owners, particularly due to their reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the local governments' ownership of the three companies, or (3) there is a downgrade in our internal credit assessment on their local government owners.

We would consider upgrading the three companies' ratings if there is an upgrade in our internal credit assessment on their local government owners. In addition, we would also consider upgrading ZCHG's and HJNAD's ratings if there is strengthened support from their local government owners.

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.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2024)
The methodology 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. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

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