

Lianhe Ratings Global Limited has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Dongyang State-owned Assets Investment Co., Ltd. with Stable Outlook; The global scale Long-term Issuance Credit Rating of its Credit Enhanced Guaranteed JPY Bonds affirmed at ‘A-’

HONG KONG, 19 January 2026 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Dongyang State-owned Assets Investment Co., Ltd. (“DSAI” or “the company”); Issuer Rating Outlook is Stable.

Lianhe Global has also affirmed ‘A-’ global scale Long-term Issuance Credit Rating to the Credit Enhanced JPY Bonds (“the bonds”). The bonds will have the benefit of JPY-denominated irrevocable standby letter of credit (“the SBLC”) issued by Bank of Hangzhou Co., Ltd. (“BOH”)’s Jinhua Branch. A full list of affirmed issuance rating is included in this press release.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Dongyang City (“Dongyang government”) would provide very strong support to DSAI if needed. This mainly considers Dongyang government’s indirect full ownership of DSAI and the company’s strategic importance as an important local investment and development company responsible for state-owned assets operation and infrastructure construction in Dongyang. The linkage between the local government and DSAI is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, the local government may face significant negative impact on its reputation and financing activities if DSAI encounters any operational and financial difficulties.

Dongyang is a county-level city under the administration of Jinhua City, Zhejiang Province. Dongyang’s GDP grew steadily by 5.4% to RMB87.5 billion in 2024, while it realized a budgetary revenue of RMB8.1 billion. In the first half of 2025, Dongyang achieved a GDP of RMB43.4 billion, representing a year-on-year growth of 5.0%. In the first three quarters of 2025, the budgetary revenue amounted to RMB6.8 billion, up 0.4% compared to the same period last year.

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

The Issuance Credit Rating primarily reflects the credit enhancement provided by the irrevocable SBLC issued by BOH’s Jinhua Branch and underpinned by the credit strength of BOH as a top-ranked bank in Hangzhou.

Rating Sensitivities

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

We would consider upgrading DSAI's rating if there is an upgrade in our internal credit assessment on the Dongyang government.

Any downgrade or upgrade in our internal credit assessment on BOH would result in a similar rating action on the bonds.

Full List of Issuance Rating

- JPY12 billion, 1.45% Credit Enhanced Bonds due 2027 ('A-')

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 2025)

The methodologies 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 rating process aside from providing information requested by Lianhe Global.

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