

Lianhe Global has assigned ‘BBB’ global scale Long-term Issuer Credit Rating with Stable Outlook to Jiande State-owned Assets Investment Holding Group Co., Ltd.

HONG KONG, 13 March 2026 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB’ global scale Long-term Issuer Credit Rating with Stable Outlook to Jiande State-owned Assets Investment Holding Group Co., Ltd. (“JSAI” or “the company”)

The Issuer Credit Rating reflects a high possibility that the People’s Government of Jiande City (“Jiande government”) would provide very strong support to JSAI if needed, in light of its indirect full ownership of JSAI, JSAI’s strategic importance as the most important local investment and development company (“LIDC”) for infrastructure construction and state-owned asset operation in Jiande and the linkage between the Jiande government and JSAI, including appointment of the senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, we believe the Jiande government has a very strong willingness to ensure JSAI’s business and financial viability in order to safeguard its reputation and local financing activities.

Jiande is a county-level city located in Zhejiang Province and managed by Hangzhou City. Jiande’s GDP grew by 5.3% to RMB46.0 billion in 2024, while its budgetary revenue reached RMB4.6 billion during the same period. For the first half of 2025, Jiande’s GDP increased by 5% to RMB22.8 billion, while its budgetary revenue increased by 1.1% to RMB2.7 billion.

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

Key Rating Rationales

Government’s Ownership and Supervision: The Jiande government holds the full ownership of JSAI through Jiande State-owned Assets Management Service Center (“Jiande SAMSC”), which is the sole shareholder and the actual controller of the company. The Jiande government has strong control and supervision over the company, including the appointment of senior management, decisions on its strategic development and supervision of its major investment and funding plans. In addition, the Jiande government has an assessment mechanism over the company and regularly appoints auditors to review its operating performance and financial position.

Strategic Importance and Strategic Alignment: JSAI, as the most important LIDC in Jiande, is mainly responsible for infrastructure construction and state-owned asset operation in Jiande. The company undertakes infrastructure construction, land development and consolidation, affordable housing development and public utilities operation in Jiande. The company also diversifies its business into mining, trading and other businesses. JSAI’s strong franchise

advantage enables it to undertake key projects under the instruction of the Jiande government. JSAI plays an important role in promoting the region's economic and social development. Its business operations and strategic planning have been aligned with the local government's development plans.

Ongoing Government Support: JSAI receives ongoing support from the Jiande government, including financial subsidies and capital, asset and equity injections, to support its business operations. We believe the government support will remain intact given the company's strategic importance in Jiande.

JSAI's Financial Matrix and Liquidity Position: JSAI's total assets grew steadily to RMB109.4 billion at end-June 2025 from RMB75.9 billion at end-2022, mainly due to the increase in inventories. The company's total debt increased to RMB64.0 billion at end-June 2025 from RMB44.2 billion at end-2022. As a result, the company's financial leverage, as measured by the debt to capitalization ratio, increased from 62.2% at end-2022 to 65.9% at end-June 2025.

JSAI's short-term debt servicing pressure was moderately high. The company had a cash balance of RMB8.1 billion (including restricted cash of RMB0.3 billion) at end-June 2025, compared to its debts due within one year of RMB26.3 billion. The company mainly relies on external financing and has access to various financing channels, including bank loans and non-traditional funding, to support its debt repayment and business operations. At end-September 2025, the company had unused credit facilities of RMB34.3 billion.

Rating Sensitivities

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

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

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)
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 rating process aside from providing information requested by Lianhe Global.

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