

In 2019 Lianhe Global Was the Largest Chinese Offshore Credit Rating Agency

Lianhe Ratings Global Limited (“Lianhe Global” or “the Company”) rated USD 7.52 billion worth of bonds in 2019, making Lianhe Global the largest Chinese offshore credit rating agency in the Chinese offshore bond market. In addition, Lianhe Global has assigned and published global scale issuer credit ratings (all solicited) to fifteen issuers; Liangshan Development (Holdings) Group Co., Ltd. (“Liangshan”), Yuzhou Properties Company Limited (“Yuzhou Properties”), CIFI Holdings (Group) Co. Ltd. (“CIFI”), Logan Property Holdings Company Limited (“Logan Property”), Jingrui Holdings Limited (“Jingrui”), Redsun Properties Group Limited. (“Redsun”), Yango Group Company Limited (“Yango”), Qingdao City Construction Investment (Group) Limited (“QCCI”), Fujian Yango Group Co., Ltd. (“Fujian Yango”), China Hongqiao Group Limited (“China Hongqiao”), Radiance Group Co., Ltd. (“Radiance”), Zhengzhou Urban Construction Investment Group Co., Ltd. (“ZZC”), Yancheng Oriental Investment & Development Group Co., Ltd. (“Yancheng Oriental”), China Aoyuan Group Limited (“Aoyuan”), and E-House (China) Enterprise Holdings Limited (“E-House”).

The rated bonds were issued by Yuzhou Properties, Logan Property, Jingrui, Redsun, Yango, Liangshan, China Hongqiao, Fujian Yango, QCCI, Yancheng Oriental, Radiance, and ZZC. All the bond ratings assigned by Lianhe Global are solicited. These bond issuances were well-received by the market with the final total subscription amount far exceeding the total issuance amount.

As a homegrown international rating agency, Lianhe Global possesses unique local insight and understanding about the Chinese government framework and business environment in which Chinese issuers operate, enabling us to provide investors a different perspective from the big three U.S. rating agencies. Our international expertise and professionalism mirror the big three international rating agencies as about 75% of our current employees have previously worked for the international rating agencies in Asia for a substantial period of time.

In Finance Asia’s China Awards 2019, Lianhe Global was named the “Best Chinese Offshore Ratings Agency”. This award demonstrates the recognition of the added value brought by Lianhe Global to the Chinese offshore bond markets arena. Our analytical excellence and investor outreach are highly valued by market participants in better understanding the credits of Chinese offshore bond issuers.

In The Asset’s Triple A Rating Agency of the Year Awards 2019, Lianhe Global was named the Rating Agency of the Year – Global in China. This award highlights the strength of international credit rating agencies operating in the region in providing cross-border investors and issuers with fundamental parameters regarding the creditworthiness of corporates, public finance companies and financial institutions.

Lianhe Global has published non-rating commentaries in various industry sectors, including the Chinese property developers, Chinese local government financing vehicles (“LGFVs”), Chinese banks and non-bank financial institutions in order to provide our views on relevant industry developments. We also regularly update our views on regulatory change and critical credit events. In January 2019 we published outlook reports on Chinese property developers, LGFVs and financial leasing companies and we shared our opinion on the Qinghai Provincial Investment Group which missed its interest payment. In February we published commentaries on China regarding its suitable monetary and financial environment to support future economic growth. In June we published a Chinese property market mid-year review, together with factors to consider when analyzing Chinese property developers. In August to October we had a series of review and summary views on the offshore US Dollar debt market, Panda bonds market, China’s onshore bond market, and counter-cyclical measures which benefit China’s bond market. During this period, we also continued our research on China LGFVs and China property sectors, and published commentaries on China’s domestic spending plans which underpin LGFVs and property developers’ credit. In November we published 2020 outlook reports for LGFVs and property developers including factors to consider when analyzing Chinese LGFVs. All our reports and commentaries are distributed to Chinese US dollar bond market participants including investors, bankers, issuers and financial media professionals.

Lianhe Global also regularly provides outreach to offshore bond investors through one-on-one meetings and conferences and has met more than 1,200 investors. In January our CEO accompanied Vanguard to visit our parent group’s Beijing office in order to share onshore and offshore bond market intelligence. In March 2019, we held two conferences - “China’s Local Government Financing Vehicle Industry Conference” with a top U.S. investment bank and “China’s Local Government Financing Vehicle Industry & Property Developer Industry Conference” with a leading private bank in Hong Kong. In June, we held a conference on “How to Interpret China’s Local Government Financing Vehicle Industry” with Guotai Junan International Holdings Limited. In July, we held another conference with Wind Information (Hong Kong) Co., Ltd. on the Chinese offshore bond market. In September to December, we held two conferences with two top Chinese offshore bond underwriters (Bank of China, Hong Kong Branch and China Minsheng Bank, Hong Kong Branch) on China property developers and LGFVs together with our affiliated onshore rating agencies. During the same period, we also held two events with Wall Street APP in Shanghai and Beijing covering the China offshore USD dollar bond market and China Credit Market outlook with more than 280 market participants attending.

In addition, Lianhe Global actively participates in third-party investor events as speakers or guests. In January 2019, we presented the development of the Chinese offshore bond market in a conference organized by our affiliated onshore rating agencies. Our CEO shared his views on the onshore and offshore ratings during The China Debt Capital Markets Summit 2019 in Beijing organised by Euromoney/Global Capital. Our senior analytical team was invited as one of the speakers in a US Dollar Bond Market Summit held by Haitong International Securities Company Limited in Chengdu along with our investor coverage team. Due to the inclusion of onshore bonds by Bloomberg Barclays Global Aggregate Index, the

Chinese credit market is a very hot topic for overseas investors. Lianhe Global's CEO was invited and shared his views on China's onshore and offshore bond markets in the China Fixed Income Summit held by FinanceAsia in September and the Asia Credit Summit held by J.P. Morgan in October. In November we also attended as a panelist in the China Capital Markets Conference hosted by ASIFMA.

Lianhe Global summarized the most commonly asked questions by investors in our "Offshore Investors' Top 10 Questions about the Credit Profiles of Chinese Bond Issuers Report" published in January 2019. The 2019 Chinese Offshore USD Bond Investor Survey Report was published in February 2019 after we conducted collected feedback and surveys from 24 one-on-one meetings with Chinese offshore USD bond investors in Hong Kong.

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