

Lianhe Global: Huai'an Traffic Holding Group Co., Ltd.'s Long-term Issuance Credit Rating Unaffected by the Proposed USD Bonds Tap Issuance

HONG KONG, 11 August 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, says Huai'an Traffic Holding Group Co., Ltd.'s (“Huai'an Traffic”, ‘BBB/Stable’) proposed tap issuance of its USD238 million 5.5% senior unsecured USD bonds due 2025 will not affect the ‘BBB’ rating on the bonds.

The proposed tap issuance will carry the same terms and conditions as the existing USD bonds and is rated at the same level as Huai'an's global scale Long-term Issuer Credit Rating of ‘BBB’ as they constitute Huai'an's senior and unsecured obligations.

Huai'an's Issuer Credit Rating reflects a high possibility that the Huai'an municipal government would provide strong support to Huai'an Traffic if needed, in light of its full ownership of Huai'an Traffic, Huai'an Traffic's strategic position as the sole LGFV that is responsible for transportation development. There is a strong linkage between the Huai'an municipal government and Huai'an Traffic, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Huai'an municipal government may face significant negative impact on its reputation, business, and financing activities should Huai'an Traffic encounter any operational or financial difficulties.

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Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, 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 Huai'an Traffic's rating is Lianhe Global's China Local Government Financing Vehicle Criteria published on 31 December 2021, 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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