

Lianhe Global has assigned ‘A-’ global scale Long-term Issuance Credit Rating to Tianjin Binhai New Area Construction and Investment Group Co., Ltd.’s proposed USD bonds

HONG KONG, 2 August 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘A-’ global scale Long-term Issuance Credit Rating to the proposed senior unsecured USD bonds (“USD bonds”) to be issued by Zhaohai Investment (BVI) Limited, and unconditionally and irrevocably guaranteed by Tianjin Binhai New Area Construction and Investment Group Co., Ltd. (“TBCIG”). Zhaohai Investment (BVI) Limited is an indirect wholly-owned subsidiary of TBCIG.

TBCIG intends to use the net proceeds from this offering for refinancing its existing indebtedness.

Key Rating Rationales

The USD bonds are rated at the same level as TBCIG’s global scale Long-term Issuer Credit Rating of ‘A-’ as they constitute TBCIG’s senior unsecured obligations. TBCIG’s obligations for the USD bonds shall at all times rank at least equally with all TBCIG’s other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the Tianjin Municipal People’s Government (“Tianjin government”) would provide strong support to TBCIG if needed, in light of its 100% ownership of TBCIG, TBCIG’s strategic position as the major development and operation entity of Tianjin Binhai New Area and the strong linkage between the Tianjin government and TBCIG including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Tianjin government may face a significant negative impact on its reputation and business and financing activities should TBCIG encounter any operational or financial difficulties.

Rating Sensitivities

Any rating action on TBCIG’s rating would result in a similar rating action on the USD bonds.

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

We would consider upgrading TBCIG’s rating if (1) there is strengthened support from the Tianjin government, or (2) there is an upgrade in our internal credit assessment on the Tianjin government.

About Lianhe Global

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 TBCIG'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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