

## **Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Tonglu Newtown Development Investment Co., Ltd.’s proposed offshore bonds**

HONG KONG, 30 December 2022 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to the senior unsecured offshore bonds (“the Bonds”) to be issued by Tonglu Newtown Development Investment Co., Ltd. (“TNDI”; ‘BBB-’/Stable).

TNDI intends to use the net proceeds from this offering for project construction and supplement of working capital.

### **Key Rating Rationales**

The Bonds are rated at the same level as TNDI’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of TNDI. The payment obligations of TNDI under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Tonglu County (“Tonglu government”) would provide moderately strong support to TNDI if needed, in light of its 100% ownership of TNDI, TNDI’s strategic importance as the sole state-owned entity for infrastructure construction and operation in Tonglu County Economic and Development Zone (“Tonglu EDZ”), and the linkage between the Tonglu government and TNDI, including control and supervision over the management, strategic alignment and ongoing operational and financial support. In addition, the Tonglu government may face negative impact on its reputation, business and financing activities if TNDI encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

Any rating action on TNDI’s rating would result in a similar rating action on the Bonds.

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

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

### **Rating Methodology**

The principal methodology used in this TNDI's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website [www.lhratingsglobal.com](http://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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