

Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Taixing Port Group Co., Ltd.'s proposed senior unsecured bonds

HONG KONG, 1 March 2023 – 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 bonds (“the Bonds”) to be issued by Taixing Port Group Co., Ltd. (“TPG”; ‘BBB-/Stable’).

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

TPG’s Issuer Credit Rating reflects a high possibility that the People’s Government of Taixing City (“Taixing government”) would provide strong support to TPG if needed, in light of its full ownership of TPG, TPG’s strategic importance as an important local investment and development company (“LIDC”) for port infrastructure construction and municipal public utilities operation in Taixing, and the linkage between the Taixing government and TPG, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and other government support. In addition, the Taixing government may face significant negative impact on its reputation and financing activities if TPG encounters any operational and financial difficulties.

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

Rating Sensitivities

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

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

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

Note: The above Issuer/Issuance Credit Ratings are solicited at the request of the rated entity or a related third party.

Contact Information

Primary Analyst

Ben Yau

Senior Director

(852) 3462 9586

ben.yau@lhratingsglobal.com

Committee Chairperson

Toni Ho

Director

(852) 3462 9578

toni.ho@lhratingsglobal.com

Business Development Contact

Joyce Chi

Managing Director

(852) 3462 9569

joyce.chi@lhratingsglobal.com

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