

## **Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Chuzhou Nanqiao Urban Investment Holding Group Co., Ltd.’s proposed senior unsecured bonds**

HONG KONG, 10 November 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 Chuzhou Nanqiao Urban Investment Holding Group Co., Ltd. (“CNUI”; ‘BBB-/Stable’).

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

CNUI’s Issuer Credit Rating reflects a high possibility that the People’s Government of Nanqiao District, Chuzhou City (“the Nanqiao government”) would provide very strong support to CNUI if needed, in light of its full ownership of CNUI, CNUI’s strategic importance as the sole construction and development platform in Chuzhou’s Nanqiao District (“Nanqiao”), and the linkage between the Nanqiao government and CNUI, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Nanqiao government may face significant negative impact on its reputation and financing activities if CNUI encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

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

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

We would consider upgrading CNUI's rating if there is an upgrade in our internal credit assessment on the Nanqiao 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 CNUI'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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