

Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Taizhou Medical City Holding Group Co., Ltd.'s CNY Bonds

HONG KONG, 14 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 CNY200 million, 5.5% senior unsecured bonds due 2026 (“the Bonds”) issued by Taizhou Medical City Holding Group Co., Ltd. (“TMCH”; ‘BBB-/Stable’).

TMCH intends to use the net proceeds from this offering for refinancing offshore debt and replenishing working capital.

Key Rating Rationales

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

TMCH’s Issuer Credit Rating reflects a high possibility that the Government of Taizhou Medical High-tech Industrial Development Zone (Gaogang District) (“the District government” or “the Management Committee”) would provide strong support to TMCH if needed, in light of its full ownership of TMCH, the importance of TMCH to Taizhou Medical High-tech Industrial Development Zone in infrastructure construction and state-owned assets operation and management, and the strong linkage between the District government and TMCH, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and other government support. In addition, the District government may face significant negative impact on its reputation and financing activities if TMCH encounters any operational and financial difficulties.

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

Rating Sensitivities

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

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

We would consider upgrading TMCH's rating if (1) there is strengthened support from the District government, or (2) there is an upgrade in our internal credit assessment on the District 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 TMCH'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
Joyce Huang, CFA
Managing Director
(852) 3462 9586
joyce.huang@lhratingsglobal.com

Secondary Analyst
Karis Fan
Analyst
(852) 3462 9579
karis.fan@lhratingsglobal.com

Committee Chairperson
Toni Ho, CFA, FRM
Director
(852) 3462 9578
toni.ho@lhratingsglobal.com

Business Development Contact
Joyce Chi, CESGA
Managing Director
(852) 3462 9569
joyce.chi@lhratingsglobal.com

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