

## **Lianhe Global has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to Jiangsu Runxin City Investment Group Co., Ltd.'s proposed senior unsecured bonds**

HONG KONG, 11 December 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 Jiangsu Runxin City Investment Group Co., Ltd. (“JRCI”; ‘BBB/Stable’).

JRCI 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 JRCI’s global scale Long-term Issuer Credit Rating of ‘BBB’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of JRCI. The payment obligations of JRCI 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 Suining County, Xuzhou City (“Suining government”) would provide very strong support to JRCI if needed, in light of its indirect full ownership of JRCI, JRCI’s strategic importance as the most important local investment and development company (“LIDC”) responsible for infrastructure construction in Suining County, Xuzhou City, and the linkage between the Suining government and JRCI, 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 Suining government may face significant negative impact on its reputation and financing activities if JRCI encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

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

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

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