

## **Lianhe Global has assigned ‘BBB’ global scale Long-term Issuance Credit Rating to Dongtai Huimin Urbanization Construction Group Co., Ltd.’s proposed senior unsecured bonds**

HONG KONG, 17 January 2024 – 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 Dongtai Huimin Urbanization Construction Group Co., Ltd. (“DTHM”; ‘BBB/Stable’).

DTHM 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 DTHM’s global scale Long-term Issuer Credit Rating of ‘BBB’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of DTHM. The payment obligations of DTHM 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 Dongtai City (“Dongtai government”) would provide very strong support to DTHM if needed. This mainly considers the Dongtai government’s full ownership of DTHM, DTHM’s strategic importance as an important local investment and development company (“LIDC”) responsible for projection construction in Dongtai City (“Dongtai”), especially in Economic Development Zone (“Dongtai EDZ”), and the strong linkage between the Dongtai government and DTHM, including the appointment of senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the Dongtai government may face significant negative impact on its reputation and financing activities if DTHM encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

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

We would consider downgrading DTHM’s rating if (1) there is perceived weakening in support from the Dongtai government, particularly due to its reduced strategic importance with diminished government functions, or (2) there is a significant reduction of the Dongtai

government's ownership of DTHM, or (3) there is a downgrade in our internal credit assessment on the Dongtai government.

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