

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

HONG KONG, 19 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 Shouguang Port Investment Holding Group Co., Ltd. (“SGPI”; ‘BBB-/Stable’).

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

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

### **Rating Sensitivities**

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

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

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