

Lianhe Ratings Global Limited has upgraded the global scale Long-term Issuer Credit Rating of Taixing City Investment Development Group Co., Ltd. to ‘BBB+’ from ‘BBB’; Issuer Rating Outlook Stable

HONG KONG, 19 February 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Taixing City Investment Development Group Co., Ltd. (“TCID” or “the company”) to ‘BBB+’ from ‘BBB’. The Outlook is Stable.

The Issuer Credit Rating upgrade reflects the increased strategic importance of TCID in Taixing City (“Taixing”). The company continues to undertake infrastructure and affordable housing projects in Taixing. It also actively participates in Taixing’s city operation, such as water supply, gas supply, garbage disposal and sanitation services.

We believe there is a high possibility that the People’s Government of Taixing (“the Taixing government”) would provide very strong support to TCID if needed, in light of its full ownership of TCID, TCID’s strategic importance as a core local investment and development company in Taixing, and the linkage between the Taixing government and TCID, including appointment of the senior management, strategic alignment, supervision of major financing plan and investment decisions and ongoing operational and financial support. In addition, the Taixing government may face significant negative impact on its reputation and financing activities if TCID encounters any operational and financial difficulties.

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

Rating Sensitivities

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

We would consider upgrading TCID’s rating if there is an upgrade in our internal credit assessment on the Taixing 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 TCID'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.

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