

Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating with Stable Outlook to Dongtai Xixi Tourism and Cultural Scenic Area Investment Development Co., Ltd.

HONG KONG, 18 June 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating to Dongtai Xixi Tourism and Cultural Scenic Area Investment Development Co., Ltd. (“DXTCS” or “the company”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Dongtai City, Jiangsu Province (“Dongtai government”) would provide strong support to DXTCS if needed, in light of its indirect full ownership of DXTCS, DXTCS’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction and resettlement housing construction in Dongtai City, Jiangsu Province (“Dongtai”), especially in Xixi Tourism and Cultural Scenic Area (“Xixi Area”), and the linkage between the Dongtai government and DXTCS, 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 Dongtai government may face significant negative impact on its reputation and financing activities if DXTCS encounters any operational and financial difficulties.

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

Rating Sensitivities

We would consider downgrading DXTCS’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 DXTCS, or (3) there is a downgrade in our internal credit assessment on the Dongtai government.

We would consider upgrading DXTCS’s rating if (1) there is an upgrade in our internal credit assessment on the Dongtai government. (2) 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 DXTCS'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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