

**Lianhe Ratings Global Limited has upgraded global scale Long-term Issuer and Issuance Credit Rating of Huai'an Traffic Holding Group Co., Ltd. to 'BBB+' from 'BBB'; Issuer Rating Outlook Stable**

HONG KONG, 18 June 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Huai'an Traffic Holding Group Company Limited (“Huai'an Traffic” or “the company”) to 'BBB+' from 'BBB'. The Outlook is Stable.

Lianhe Global has also upgraded the global scale Long-term Issuance Credit Rating of the senior unsecured USD bonds issued by Huai'an Traffic to 'BBB+' from “BBB” at the same time. A full list of Issuance Rating is included in this report.

**Key Rating Rationales**

The Issuer Credit Rating upgrade reflects an upgrade in our internal credit assessment on Jiangsu's Huai'an Municipal People's Government (“the Huai'an government”), and the expectation of continuing of a high possibility that the Huai'an government would provide strong support to Huai'an Traffic if needed, in light of its indirect full ownership of Huai'an Traffic, Huai'an Traffic's strategic position as an important local investment and development company (“LIDC”) that is responsible for transportation investment, construction and operation in Huai'an and the strong linkage between the Huai'an government and Huai'an Traffic including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Huai'an government may face significant negative impact on its reputation and financing activities should Huai'an Traffic encounter any operational or financial difficulties.

The Stable Outlook reflects our expectation that Huai'an Traffic's strategic importance would remain intact while the Huai'an government will continue to ensure Huai'an Traffic's stable operation.

**Rating Sensitivities**

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

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

Any rating action on Huai'an Traffic's rating would result in a similar rating action on the USD bonds.

### **Full List of Issuance Rating**

- USD300 million 5.5% senior unsecured Bonds due 2025 upgraded to 'BBB+' from 'BBB'

### **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 Huai'an Traffic'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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