

Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Pizhou Communications Holding Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 2 July 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Pizhou Communications Holding Group Co., Ltd. (“PCHG”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Pizhou City, Xuzhou City (“Pizhou government”) would provide strong support to PCHG if needed, in light of its full ownership of PCHG, PCHG’s strategic importance as the important local investment and development company (“LIDC”) that is responsible for transportation-related facilities construction and operation in Pizhou City, Xuzhou City (“Pizhou”), and the linkage between the Pizhou government and PCHG, 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 Pizhou government may face significant negative impact on its reputation and financing activities if PCHG encounters any operational and financial difficulties.

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

Rating Sensitivities

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

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