聯合評級國際
Lianhe Ratings Global

Press Release
5 August 2024

Lianhe Global has affirmed 'A' global scale Long-term Issuer and Issuance Credit Rating of Shaoxing City Investment Group Limited; Issuer Rating Outlook Stable

HONG KONG, 5 August 2024 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has affirmed 'A' global scale Long-term Issuer Credit Rating of Shaoxing City Investment Group Limited ("SCIG"). The Outlook is Stable.

Lianhe Global has also affirmed 'A' global scale Long-term Issuance Credit Rating of the senior unsecured USD bonds issued by SCIG at the same time. A full list of affirmed issuance rating is included in this press release.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the Shaoxing Municipal Government would provide strong support to SCIG if needed. This mainly considers the Shaoxing Municipal Government's 90% ownership of SCIG, the high importance of SCIG to Shaoxing in the utilities (gas and water) infrastructures and services, as well as urban infrastructure and social-housing construction area, and the strong linkage between the Shaoxing Municipal Government and SCIG, including appointment of the senior management, strategic alignment, supervision of major investment and financing plan decisions and ongoing operational and financial support. In addition, the Shaoxing Municipal Government may face significant negative impact on its reputation and financing activities if SCIG encounters any operational and financial difficulties.

The Stable Outlook reflects our expectation that SCIG's strategic importance would remain intact while the Shaoxing Municipal Government will continue to ensure SCIG's stable operation.

Rating Sensitivities

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

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

Any rating action on SCIG's rating would result in a similar rating action on the USD bonds.

Full List of Issuance Rating

- USD 700 million 2.5% senior unsecured bonds due 2026 affirmed at 'A'

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 SCIG's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 31 July 2024, 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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