

Lianhe Global has upgraded the global scale Long-term Issuer Credit Rating of Hing Yip Holdings Limited to 'BBB+' from 'BBB-'; Issuer Rating Outlook Stable

HONG KONG, 7 September 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Hing Yip Holdings Limited (“HYH”) (formerly known as China Investments Holdings Ltd.) to ‘BBB+’ from ‘BBB-’. The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating upgrade reflects an upgrade in our internal credit assessment on the People's Government of Nanhai District, Foshan City (“Nanhai government”), and the company's increasing strategic importance in Nanhai District, Foshan City (“Nanhai”), as the company is deepening its roles in the regional economic development and local residents' livelihoods under the guidance of the Nanhai government. The company has upgraded and expanded its elderly care facilities and business after the integration of several public elderly care institutions in towns and sub-districts in Nanhai. Besides, it is aligned with the development plans of the Nanhai government and strengthened HYH's role as the key entity responsible for elderly care and wellness and regional development in Nanhai.

We believe this continues to present a high possibility that the Nanhai government would provide strong support to HYH if needed, in light of its indirect majority ownership of HYH, HYH's strategic position as an key local investment and development company (“LIDC”) that is responsible for elderly care and wellness, financial leasing, big data development and civil explosives in Nanhai and the linkage between the Nanhai government and HYH, including supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Nanhai government may face significant negative impact on its reputation and financing activities if HYH encounters any operational and financial difficulties.

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

Rating Sensitivities

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

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