

Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer and Issuance Credit Rating of Anqing Yixiu District Beautiful Village Construction Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 23 April 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit rating of Anqing Yixiu District Beautiful Village Construction Co., Ltd. (“AYVC” or “the company”); The Outlook is stable.

Lianhe Global has also affirmed ‘BBB-’ global scale Long-term Issuance Credit Rating of the senior unsecured bonds issued by AYVC 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 People’s Yixiu District Government of Anqing City (“the Yixiu government”) would provide strong support to AYVC if needed. This mainly considers its full ownership of AYVC, AYVC’s strategic importance as a key local investment and development company in Yixiu District (“Yixiu”). The linkage between the Yixiu government and AYVC is strong, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Yixiu government may face significant negative impact on its reputation and financing activities if AYVC encounters any operational or financial difficulties.

Yixiu is a district under the jurisdiction of Anqing City, Anhui Province. It owns a provincial-level economic development zone. The Yixiu government’s budgetary revenue increased strongly by 14.3% to RMB1.4 billion in 2024.

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

Rating Sensitivities

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

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

Any rating action on AYVC's rating would result in a similar rating action on its senior unsecured bonds.

Full List of Issuance Ratings

- CNY265.1 million 7.80% senior unsecured bonds due 2027 affirmed at 'BBB-'
- USD45 million 7.60% senior unsecured bonds due 2028 affirmed at '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.

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2024)
The methodology 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. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

Contact Information

Primary Analyst, Hong Kong
Rechel Chen
Analyst
(852) 3462 9589
rechel.chen@lhratingsglobal.com

Secondary Analyst, Hong Kong
Roy Luo, CFA, FRM, CESGA
Director
(852) 3462 9582
roy.luo@lhratingsglobal.com

Committee Chairperson and Ratings Approver, Hong Kong
Toni Ho, CFA, FRM
Senior Director
(852) 3462 9578
toni.ho@lhratingsglobal.com

Investor and Media Relations Contact, Hong Kong
Alice Wang
Associate Director
(852) 3462 9568; (86) 185 1686 2143
alice.wang@lhratingsglobal.com

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