

Lianhe Ratings Global Limited has assigned ‘BBB’ global scale Long-term Issuer Credit Rating with Stable Outlook to Taizhou Ruima Urban Development and Construction Co., Ltd.

HONG KONG, 6 August 2025 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB’ global scale Long-term Issuer Credit Rating with Stable Outlook to Taizhou Ruima Urban Development and Construction Co., Ltd. (“TRUD” or “the company”); The Outlook is stable.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Taizhou Gaogang District (Taizhou Medical High-tech Industrial Development Zone) (“the Gaogang government”) would provide strong support to TRUD if needed. This mainly considers the Gaogang government’s vast majority ownership of TRUD and TRUD’s strategic importance as a major local investment and development company (“LIDC”) responsible for project development and urban operation in Lingang Economic Park of Taizhou Medical High-tech Industrial Development Zone (“Medical High-tech Zone”). In addition, the linkage between the local government and TRUD is strong, including management supervision, strategic alignment and ongoing operational and financial support. Moreover, the Gaogang government may face significant negative impact on its reputation and financing activities if TRUD encounters any operational and financial difficulties.

Gaogang District (“Gaogang”) is a municipal district under Jiangsu’s Taizhou City. In June 2021, Gaogang and Medical Hi-tech Zone officially launched integrated development. In 2024, Gaogang’s GDP grew steadily by 3.9% to RMB112.1 billion, while the Gaogang government’s budgetary revenue increased by 1.9% to RMB10.5 billion.

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

Key Rating Rationales

Government’s Ownership and Supervision: The State-owned Asset Management Center of Taizhou Medical High-tech Zone (Gaogang District) (“Gaogang SAMC”), as the actual controller, holds 90.05% shares of TRUD; the Management Committee of Lingang Economic Park (“Lingang MC”) holds the remaining 9.95%. The local government has the final decision-making authority and strong supervision over TRUD, including the appointment of senior management and decisions on its major investment and financing plan. In addition, the local government has an assessment mechanism over the company and regularly appoints auditors to review the company’s operating performance and financial position.

Strategic Alignment and Importance: TRUD is an important LIDC that is responsible for project and urban operations in Gaogang, particularly in the Medical High-tech Zone. It primarily engages in infrastructure construction, resettlement housing development and

industrial estate development within the region. TRUD plays a vital role in Gaogang's urban development, aligning with the local government's development plans and social policies.

Strong Government Support: TRUD receives ongoing government support in the form of asset/capital injections and operational subsidies. The company's equity base was enlarged to RMB8.2 billion at end-2024 from RMB7.1 billion at end-2021, owing to multiple asset injections. In addition, the local government provided operational subsidies totaling RMB115 million between 2022 and 2024 to TRUD. We expect TRUD to receive timely support from the local government in the coming years, considering its strategic importance in Gaogang.

TRUD's Financial and Liquidity Position: TRUD's total assets increased significantly to RMB14.0 billion at end-2024 from RMB9.6 billion at end-2022, as the company actively engaged in project development in Gaogang. The company relied heavily on borrowings to support its asset expansion. Its total debts rose to RMB2.7 billion from RMB1.0 billion over the same period. Yet TRUD's financial leverage, as measured by the debt to capitalization ratio, stayed at a manageable level of 24.7% at end-2024.

TRUD's short-term servicing pressure was moderately high. At end-2024, the company had cash of RMB714 million, compared with short-term debt of RMB1.3 billion. However, the company has access to various financing channels, including bank borrowing and non-traditional financing options, to support its debt repayments and business operations. By the end of 2024, TRUD had total bank facilities of RMB2.2 billion with unused facilities of RMB0.5 billion.

Rating Sensitivities

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

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

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025)

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 rating process aside from providing information requested by Lianhe Global.

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