Press Release
4 September 2025

Lianhe Ratings Global Limited has affirmed 'BBB' global scale Long-term Issuer and Issuance Credit Rating of Hubei New Tongdu Urban Investment and Development Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 4 September 2025 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has affirmed 'BBB' global scale Long-term Issuer and Issuance Credit Rating of Hubei New Tongdu Urban Investment and Development Group Co., Ltd. ("HNTU" or "the company"); Issuer Rating Outlook is Stable.

Lianhe Global has also affirmed 'BBB' global scale Long-term Issuance Credit Rating of the senior unsecured USD bonds issued by HNTU and guaranteed by Hubei Guanggudong State-Owned Capital Investment and Operation Group Ltd. ("GGDSI", 'BBB'/Stable) 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 Government of Daye City ("the Daye government") would provide strong support to HNTU if needed. This mainly considers the Daye Government's indirect full ownership of HNTU through Hubei Guanggudong State-Owned Capital Investment and Operation Group Ltd. ("GGDSI", 'BBB'/Stable), the strategic importance of HNTU as an important local investment and development company responsible for urban development and operation in Daye. The linkage between the Daye Government and HNTU is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, the Daye Government may face significant negative impact on its reputation and financing activities if HNTU encounters any operational and financial difficulties.

Daye is a county-level city of Hubei Province and is managed by Huangshi. It is one of the top 100 industrial counties in China. Daye government's GDP grew by 7.1% to RMB93.1 billion in 2024, while the budgetary revenue increased by 14.0% to RMB5.4 billion.

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

Rating Sensitivities

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

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

Any rating action on HNTU and GGDSI's rating could result in a similar rating action on the USD bonds.

Full List of Issuance Rating

- USD209 million 7.5% guaranteed bonds due 2026 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 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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