CCXAP assigns A_g+ to Suzhou SND Group Company Limited's proposed CNY sustainable bonds.

Hong Kong, 10 November 2026 – China Chengxin (Asia Pacific) Credit Ratings Company Limited ("CCXAP") has assigned senior unsecured debt rating of A_g+ to the proposed CNY bonds to be issued by SND International (BVI) Co., Ltd., an indirect wholly-owned subsidiary of Suzhou SND Group Company Limited ("SNDG" or the "Company") (A_g+/Stable), and to be unconditionally and irrevocably guaranteed by SNDG.

Under the unconditional and irrevocable guarantee, the proposed bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of SNDG, which shall at all times at least rank pari passu with all its other present and future unsecured and unsubordinated obligations. The Company intends to use the net proceeds to refinance its existing offshore indebtedness in accordance with the Sustainable Finance Framework.

Corporate Profile

Established in 1990, SNDG is the largest and most important investment, financing and operating entity for the municipal development in Suzhou New District (Huqiu District), primarily focusing on infrastructure construction, affordable housing, water supply and sewage treatment within and surrounding the Suzhou New District ("SND"). The Company's business scope is mainly classified into four sectors: urban comprehensive development, urban comprehensive services, industrial park operation, and investment and financial services. It carries out businesses mainly through its subsidiaries, including listed companies Suzhou New District Hi-tech Industrial Co., Ltd. ("SNDH", Stock Code: 600736.SH) and Suxin Joyful Life Services Co., Ltd. ("SJLS", Stock Code: 2152.HK). As of 30 June 2026, Suzhou City Huqiu District People's Government ("Huqiu District Government") held 90.63% of the Company's stakes, and the Jiangsu Provincial Department of Finance held the remaining 9.37%.

Rating Rationale

The senior unsecured debt rating of the bonds is equivalent to SNDG's long-term credit rating, as SNDG will provide an unconditional and irrevocable guarantee to the bonds. We believe that government support will flow through the Company given its important role in SND, thereby mitigating any differences in an expected loss that could result from structural subordination.

The A_g+ long-term credit rating of SNDG reflects (1) SND Government's very strong capacity to provide support; and (2) the local government's extremely high willingness to provide support, based on our assessment of the Company's characteristics. Our assessment of the SND Government's capacity to support reflects SND's good economic and fiscal strengths with steady growth. SND ranked among China's top 20 national high-tech zones for years, with gross regional production ("GRP") exceeding RMB190 billion.

The rating also reflects the local government's willingness to support, which is based on the Company's (1) full ownership and direct management by the SND Government; (2) strong strategic importance in the development of SND; (3) solid government support such as ongoing

capital injections and subsidies; and (4) good access to low-cost and stable funding. However, the rating is constrained by the Company's (1) moderate level of commercial risk, which mainly includes property development and financial investment; and (2) fast expansion on the debt scale that exerts management pressure.

Rating Outlook

The stable outlook on SNDG's rating reflects our expectation that the local government's capacity to support will remain stable, and the Company will maintain its strategic position in the development of SND over the next 12 to 18 months.

What could upgrade the rating?

The rating could be upgraded if (1) the local government's capacity to support strengthens; or (2) the Company's characteristics change in a way that strengthens the local government's willingness to support, such as increased debt management and decreased exposure to commercial activities.

What could downgrade the rating?

The rating could be downgraded if (1) the local government's capacity to support weakens; or (2) the Company's characteristics change in a way that weakens the local government's willingness to support, such as reduced regional significance or deteriorated refinancing ability.

Rating Methodology

The methodology used in this rating is the Rating Methodology for China's Local Infrastructure Investment and Financing Companies (July 2022).

Regulatory Disclosures

CCXAP's Rating Symbols and Definitions are available on its website at:
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