

## **Lianhe Global has affirmed ‘BBB’ global scale Long-term Issuer Credit Rating of Zouping Financial Development Group Co., Ltd.; Issuer Rating Outlook Stable**

HONG KONG, 30 April 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB’ global scale Long-term Issuer Credit Rating of Zouping Financial Development Group Co., Ltd. (“ZFDG” or “the company”). The Outlook is Stable.

### **Key Rating Rationales**

The Issuer Credit Rating reflects a high possibility that the People’s Government of Zouping City, Binzhou City (“Zouping government”) would provide very strong support to ZFDG if needed, in light of its direct full ownership of ZFDG, ZFDG’s strategic importance as the sole local investment and development company (“LIDC”) that is responsible for infrastructure construction and state-owned asset operation in Zouping City, Binzhou City (“Zouping”), and the linkage between the Zouping government and ZFDG, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Zouping government may face significant negative impact on its reputation and financing activities if ZFDG encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

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

We would consider upgrading ZFDG’s rating if there is an upgrade in our internal credit assessment on the Zouping 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 ZFDG's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 5 December 2022, which can be found at the website [www.lhratingsglobal.com](http://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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