

Lianhe Global has assigned ‘AA-’ global scale Long-term Issuer and Issuance Credit Ratings to China Great Wall AMC (International) Holdings Company Limited and its USD Bonds and USD Notes; the Issuer Rating Outlook is stable

HONG KONG, 16 May 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned the following ratings:

China Great Wall AMC (International) Holdings Company Limited’s (“Great Wall Int” or “the company”) ‘AA-’ global scale Long-term Issuer Credit Rating, the Issuer Rating Outlook is Stable;

The senior unsecured USD Bonds’ (“the Bonds”) ‘AA-’ global scale Long-term Issuance Rating, issued by Great Wall Int’s wholly-owned subsidiary, China Great Wall International Holdings V Limited and China Great Wall International Holdings VI Limited and unconditionally and irrevocably guaranteed by Great Wall Int;

The senior unsecured USD Notes’ (“the Notes”) ‘AA-’ global scale Long-term Issuance Rating, issued by Great Wall Int’s wholly-owned subsidiary, China Great Wall International Holdings III Limited, unconditionally and irrevocably guaranteed by Great Wall Int and supported by keepwell deed and liquidity support undertaking from China Great Wall Asset Management Co., Ltd. (“China Great Wall”; ‘AA-’/Stable);

A full list of assigned issuance ratings is included in this press release.

The Issuer Credit Rating reflects a high possibility that China Great Wall would provide very strong support to Great Wall Intl if needed, in light of its full ownership of Great Wall Intl, Great Wall Intl’s strategic importance as the only overseas platform of China Great Wall, and their high integration and linkage.

The Stable Outlook reflects our expectation that Great Wall Intl’s strategic importance would remain intact while China Great Wall will continue to ensure Great Wall Intl’s stable operation.

Key Rating Rationales

China Great Wall’s Full Ownership and Supervision: China Great Wall holds the full ownership of Great Wall Intl, and has close supervision over the company. China Great Wall is one of five national AMCs and twenty-six central government-owned financial institutions. At end-March 2024, the Ministry of Finance and National Council for Social Security Fund held approximately 73.53% and 18.97% equity interest in China Great Wall, respectively; the remaining 7.50% shares were owned by China Property & Casualty Reinsurance Co., Ltd. and other SOEs.

China Great Wall has the final decision-making authority on Great Wall Intl’s major investment and financing plans. China Great Wall has the voting right to appoint all the directors (including three non-executive directors) on the board and the senior management.

Only Overseas Platform with Strong Strategic Alignment: Great Wall Intl is the only overseas platform of the China Great Wall group, providing comprehensive financial services to client with a focus on distressed-asset management, investment banking, property investment and management businesses. Great Wall Intl serves as a link between China Great Wall's onshore business and its offshore funding and investment operations, playing a key role in China Great Wall's strategy of becoming an international outstanding financial service provider.

Under the return-to-core-business strategy arrangement of the group, Great Wall Intl has been expanding its distressed-asset management, and acquisition and reorganization related businesses, further enhancing its synergy with China Great Wall.

Ongoing Operational Support: In addition to strategic alignment, Great Wall Intl would receive very strong support from China Great Wall to ensure its stable operation, considering China Great Wall's full ownership of Great Wall Intl and strong linkage. China Great Wall had provided keep-well deeds to Great Wall Intl's bond issuances and assists the company in establishing relations with financial institutions such as banks for wide business cooperations and funding accessibility.

High Indebtedness Pressures Debt Servicing Capability and Liquidity: Great Wall Intl's total debt to the asset value of the investment portfolio declined to 99.1% at end-2023 from 112.9% at end-2022. It was still high, but we expect the downward trend to continue. In the past two years, the company's financing costs increased amid the interest rate hikes, putting certain pressure on the company's debt repayment and liquidity management. Yet the company had considerable cash on hand and maintained sufficient unused credit line. It also has access to various financing channels such as bond issuance to support its debt repayments and business operations. Moreover, Great Wall Intl could obtain financial support from China Great Wall if necessary.

Rating Sensitivities

Any rating action on Great Wall Intl's rating would result in a similar rating action on the Bonds.

We would consider downgrading Great Wall Intl's rating if (1) there is perceived weakening in support from China Great Wall, particularly due to its reduced strategic importance, or the lack of timely support to ensure its viability, or (2) there is a significant reduction of China Great Wall's ownership of Great Wall Intl, or (3) there is a rating downgrade on China Great Wall.

We would consider upgrading Great Wall Intl's rating if (1) there is a rating upgrade on China Great Wall.

Any rating action on China Great Wall's rating would result in a similar rating action on the Notes.

We would consider downgrading China Great Wall's rating if (1) there is perceived weakening in support from its state owners, particularly due to its reduced strategic importance or the lack of sufficient support for China Great Wall to perform its strategic functions and/or to ensure its viability, or (2) there is a significant reduction of state ownership in the company, or (3) there is a downgrade in our internal credit assessment on the Chinese government.

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

Full List of Issuance Rating

- USD500 million 4.25% senior unsecured bonds due 2025 assigned at 'AA-'
- USD300 million 2.875% senior unsecured bonds due 2026 assigned at 'AA-'
- USD500 million 2.375% senior unsecured bonds due 2030 assigned at 'AA-'
- USD500 million 3.875% senior unsecured notes due 2027 assigned at 'AA-'

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 methodologies used in this Great Wall Intl's rating are *Lianhe Global's Investment Holdings and Conglomerates Rating Criteria* published on 30 November 2023, which 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.

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