

**Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Jiangyou Hongfei Investment (Group) Co., Ltd.; Issuer Rating Outlook Stable**

HONG KONG, 6 May 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Jiangyou Hongfei Investment (Group) Co., Ltd. (“JHIG”). The Outlook is Stable.

**Key Rating Rationales**

The Issuer Credit Rating reflects a high possibility that the Jiangyou People’s Government (“the Jiangyou government”) would provide strong support to JHIG if needed, in light of its majority ownership of JHIG, JHIG’s strategic importance as an important local investment and development company (“LIDC”) responsible for infrastructure construction, industrial development and public utility operation in Jiangyou and the linkage between the Jiangyou government and JHIG, including the appointment of the senior management, strategic alignment, supervision of major financing plan and investment decisions and ongoing operational and financial support. In addition, the Jiangyou government may face significant negative impact on its reputation and financing activities if JHIG encounters any operational and financial difficulties.

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

**Rating Sensitivities**

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

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

### **Contact Information**

Primary Analyst  
Karis Fan, CESGA  
Analyst  
(852) 3462 9579  
[karis.fan@lhratingsglobal.com](mailto:karis.fan@lhratingsglobal.com)

Secondary Analyst  
Roy Luo, FRM, CESGA  
Director  
(852) 3462 9582  
[roy.luo@lhratingsglobal.com](mailto:roy.luo@lhratingsglobal.com)

Committee Chairperson  
Toni Ho, CFA, FRM  
Senior Director  
(852) 3462 9578  
[toni.ho@lhratingsglobal.com](mailto:toni.ho@lhratingsglobal.com)

Business Development Contact  
Joyce Chi, CESGA  
Managing Director  
(852) 3462 9569  
[joyce.chi@lhratingsglobal.com](mailto:joyce.chi@lhratingsglobal.com)

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