

Lianhe Global has assigned ‘AA-’ global scale Long-term Issuance Credit Rating to China Great Wall AMC (International) Holdings Co., Ltd.’s proposed USD Guaranteed Bonds and USD Unsubordinated Guaranteed Perpetual Securities

HONG KONG, 24 June 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘AA-’ global scale Long-term Issuance Credit Rating to the USD Guaranteed Bonds (“the Bonds”) and the USD Unsubordinated Guaranteed Perpetual Securities (“the Perpetual Securities”) to be issued by China Great Wall International Holdings VI Limited (“Intl VI”), a wholly-owned subsidiary of China Great Wall AMC (International) Holdings Co., Ltd. (“Great Wall Intl”; ‘AA-/Stable’)

Great Wall Intl intends to use the net proceeds from this offering for refinancing purpose.

Key Rating Rationales

The Bonds and the Perpetual Securities are rated at the same level as Great Wall Intl’s global scale Long-term Issuer Credit Rating (“LTICR”) of ‘AA-’ as they are unconditionally and irrevocably guaranteed by Great Wall Intl, and Great Wall Intl’s obligations for the Bonds and the Perpetual Securities shall at all times at rank at least rank pari passu with all its other present and future unsubordinated and unsecured obligations.

We do not apply downward notching from Great Wall Intl’s LTICR for the Perpetual Securities’ rating as we consider the Perpetual Securities are highly similar to its other senior obligations with the call date being the effective maturity date. We believe that Great Wall Intl will exercise its redemption right given the substantial coupon step-up after the call date. In addition, Great Wall Intl will be unlikely to defer any coupon payments to avoid the damage of its reputation and potential negative reaction from the capital market. Great Wall Intl has promptly met its payment obligations on existing similar securities.

The LTICR of Great Wall Intl reflects a high possibility that China Great Wall Asset Management Co., Ltd. (“China Great Wall”; ‘AA-/Stable’) 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.

Rating Sensitivities

Any rating action on Great Wall Intl rating would result in a similar rating action on the Bonds and the Perpetual Securities.

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 also consider downgrading the issuance rating of the Perpetual Securities if there is perceived increasing possibility of coupon/principal deferrals.

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

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 methodologies used in this Great Wall Intl's rating are Lianhe Global's Investment Holdings and Conglomerates Rating Criteria published on 30 November 2023 and Hybrid Instruments: Equity Credit and Notching Criteria published on 21 June 2024, 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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