

Lianhe Global has affirmed ‘BBB’ global scale Long-term Issuer Credit Rating of Feicheng City Asset Management Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 13 June 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB’ global scale Long-term Issuer Credit Rating of Feicheng City Asset Management Group Co., Ltd. (“FCAMG”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Feicheng City, Taian City (“Feicheng government”) would provide very strong support to FCAMG if needed, in light of its indirect full ownership of FCAMG, FCAMG’s strategic importance as an important local investment and development company (“LIDC”) that is responsible for major infrastructure construction and water operation in Feicheng City, Taian City (“Feicheng”), and the linkage between the Feicheng government and FCAMG, 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 Feicheng government may face significant negative impact on its reputation and financing activities if FCAMG encounters any operational and financial difficulties.

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

Rating Sensitivities

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

We would consider upgrading FCAMG’s rating if there is an upgrade in our internal credit assessment on the Feicheng 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 FCAMG'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.

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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