

**Lianhe Global has upgraded the global scale Long-term Issuer and Issuance Credit Rating of Zhangzhou Jiulongjiang Group Co., Ltd. to 'A-' from 'BBB+'; Issuer Rating Outlook Stable**

HONG KONG, 30 August 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer and Issuance Credit Rating of Zhangzhou Jiulongjiang Group Co., Ltd. (“Jiulongjiang Group”) to ‘A-’ from ‘BBB+’. The Outlook is Stable.

Lianhe Global has also upgraded the global scale Long-term Issuance Credit Rating of the senior unsecured CNY bonds issued by Jiulongjiang Group to ‘A-’ from ‘BBB+’ at the same time. A full list of upgraded issuance rating is included in this report.

**Key Rating Rationales**

The Issuer Credit Rating upgrade reflects the company’s increasing strategic importance in Zhangzhou, as the company is deepening its roles in the regional industry development under the guidance of the Zhangzhou Municipal People’s Government (“Zhangzhou government”). The company is well-positioned to enhance its involvement in various aspects of regional industrial growth, including petrochemical industry, port logistics, utility sales and other related sectors. Besides, it is aligned with the development plans of the Zhangzhou government and strengthened Jiulongjiang Group’s role as the major entity responsible for regional industrial development in Zhangzhou.

We believe this continues to present a high possibility that the Zhangzhou government would provide very strong support to Jiulongjiang Group if needed, in light of its 90% ownership of Jiulongjiang Group, Jiulongjiang Group’s strategic position as an important state-owned asset management and operation entity of Zhangzhou and the strong linkage between the Zhangzhou government and Jiulongjiang Group, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Zhangzhou government may face significant negative impact on its reputation, business and financing activities should Jiulongjiang Group encounter any operational or financial difficulties.

Lianhe Global has also upgraded the global scale Long-term Issuance Credit Rating of the senior unsecured CNY bonds issued by Jiulongjiang Group to ‘A-’ from ‘BBB+’ at the same time. A full list of upgraded issuance rating is included in this report.

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

## Rating Sensitivities

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

We would consider upgrading Jiulongjiang Group's rating if there is an upgrade in our internal credit assessment on the Zhangzhou government.

Any rating action on Jiulongjiang Group's rating would result in a similar rating action on its CNY bonds.

## Full List of Issuance Ratings

- CNY1.37 billion 4.28% senior unsecured bonds due 2026 upgraded to 'A-' from 'BBB+'
- CNY2.13 billion 4.20% senior unsecured bonds due 2026 upgraded to 'A-' from 'BBB+'

## 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 Jiulongjiang Group's rating is Lianhe Global's China Local Investment and Development Companies Criteria published on 31 July 2024, 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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