Lianhe Global has affirmed 'BB+' global scale Long-term Issuer and Issuance Credit Rating of Yancheng Oriental Investment & Development Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 15 September 2021 – Lianhe Ratings Global Limited ("Lianhe Global"), an international credit rating company, has affirmed 'BB+' global scale Long-term Issuer Credit Rating of Yancheng Oriental Investment & Development Group Co., Ltd. ("Yancheng Oriental"). The Outlook is Stable.

Lianhe Global has also affirmed 'BB+' global scale Long-term Issuance Credit Rating of the senior unsecured USD bonds issued by Yancheng Oriental's wholly-owned subsidiary Oriental Capital Company Limited, which is unconditionally and irrevocably guaranteed by Yancheng Oriental. A full list of affirmed issuance ratings is included in this press release.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the Yancheng municipal government would provide moderately strong support to Yancheng Oriental if needed, in light of Yancheng Oriental's strategic position as the major developing and operating body of the Yancheng Economic and Technological Development Zone ("the Development Zone") and the strong linkage between the Yancheng municipal government and Yancheng Oriental including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Yancheng municipal government may face negative impact on its reputation, business, and financing activities should Yancheng Oriental encounter any operational or financial difficulties.

The Stable Outlook reflects our expectation that Yancheng Oriental's strategic importance would remain intact while the Yancheng municipal government will continue to ensure Yancheng Oriental's stable operation.

Rating Sensitivities

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

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

Any rating action on Yancheng Oriental's rating would result in a similar rating action on the USD bonds.

Full List of Issuance Ratings

- USD400 million 7.0% senior unsecured bonds due 2022 affirmed at 'BB+'

About Lianhe Global

Lianhe Global is an international credit rating company that provides credit ratings to corporations, banks, non-bank financial institutions, local government financing vehicles, 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 Yancheng Oriental's rating is Lianhe Global's China Local Government Financing Vehicle Criteria published on 16 July 2018, 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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