

Lianhe Global has affirmed ‘BBB+’ global scale Long-term Issuer and Issuance Credit Rating of Yangzhou Economic and Technological Development Zone Development (Group) Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 27 March 2023 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Yangzhou Economic and Technological Development Zone Development (Group) Co., Ltd (“YETDG”). The Outlook is Stable.

Lianhe Global has also affirmed ‘BBB+’ global scale Long-term Issuance Credit Rating to the senior unsecured USD green bonds issued by YETDG. A full list of affirmed issuance rating is included in this press release.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that Yangzhou Municipal People’s Government (“the Yangzhou government”) would provide strong support to YETDG if needed, in light of its full ownership of YETDG, YETDG’s strategic position as the major development and operation entity of the Yangzhou Economic and Technological Development Zone and the strong linkage between the Yangzhou government and YETDG, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Yangzhou government may face significant negative impact on its reputation and financing activities should YETDG encounter any operational or financial difficulties.

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

Rating Sensitivities

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

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

Any rating action on YETDG’s rating would result in a similar rating action on the USD bonds.

Full List of Issuance Rating

- USD300 million 4.0% senior unsecured bonds due 2025 affirmed at ‘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 YETDG'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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