

## **Lianhe Global has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to Yangzhong Oasis Industry Investment Group Co., Ltd.’s proposed senior unsecured bonds**

HONG KONG, 26 January 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has assigned ‘BBB-’ global scale Long-term Issuance Credit Rating to the senior unsecured bonds (“the Bonds”) to be issued by Yangzhong Oasis Industry Investment Group Co., Ltd. (“YZOI”; ‘BBB-/Stable’).

YZOI intends to use the net proceeds from this offering for project construction and supplement of working capital.

### **Key Rating Rationales**

The Bonds are rated at the same level as YZOI’s global scale Long-term Issuer Credit Rating of ‘BBB-’ as the Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of YZOI. The payment obligations of YZOI under the Bonds shall at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

The Issuer Credit Rating reflects a high possibility that the People’s Government of Yangzhong City (“the Yangzhong government”) would provide strong support to YZOI if needed. This mainly considers the Yangzhong government’s full ownership of YZOI, YZOI’s strategic importance as an important local investment and development company responsible for infrastructure construction and asset operation in Yangzhong City (“Yangzhong”), and the strong linkage between the Yangzhong government and YZOI, including the appointment of senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the Yangzhong government may face significant negative impact on its reputation and financing activities if YZOI encounters any operational and financial difficulties.

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

### **Rating Sensitivities**

Any rating action on YZOI’s rating would result in a similar rating action on the Bonds.

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

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

### **Contact Information**

Primary Analyst  
Sigmund Jiang, CFA, CESGA  
Analyst  
(852) 3462 9587  
[sigmund.jiang@lhratingsglobal.com](mailto:sigmund.jiang@lhratingsglobal.com)

Secondary Analyst  
Toni Ho, CFA, FRM  
Director  
(852) 3462 9578  
[toni.ho@lhratingsglobal.com](mailto:toni.ho@lhratingsglobal.com)

Committee Chairperson  
Joyce Huang, CFA  
Managing Director  
(852) 3462 9586  
[joyce.huang@lhratingsglobal.com](mailto:joyce.huang@lhratingsglobal.com)

Business Development Contact  
Joyce Chi, CESGA  
Managing Director  
(852) 3462 9569  
[joyce.chi@lhratingsglobal.com](mailto:joyce.chi@lhratingsglobal.com)

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