

Lianhe Ratings Global Limited has upgraded the global scale Long-term Issuer and Issuance Credit Rating of Yangzhou Economic and Technological Development Zone Development (Group) Co., Ltd. to 'A-' from 'BBB+'; Issuer Rating Outlook Stable

HONG KONG, 25 March 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Yangzhou Economic and Technological Development Zone Development (Group) Co., Ltd. (“YETDG” or “the company”) 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 USD Green bonds issued by YETDG to 'A-' from 'BBB+' at the same time. A full list of Issuance rating is included in this press release.

The Issuer Credit Rating upgrade reflects an upgrade in our internal credit assessment on Jiangsu’s Yangzhou Municipal People’s Government (“the Yangzhou government”) and the expectation of continuing of a high possibility that the Yangzhou government would provide strong support to YETDG if needed, in light of its indirect full ownership of YETDG, YETDG’s strategic position as an important development and operation entity in Jiangsu’s Yangzhou city (“Yangzhou”), especially in the Yangzhou Economic and Technological Development Zone (“the 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 its senior unsecured bonds.

Full List of Issuance Rating

- USD300 million 4.0% senior unsecured Green Bonds due 2025 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 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.

Contact Information

Primary Analyst
Roy Luo, FRM, CESGA
Associate Director
(852) 3462 9582
roy.luo@lhratingsglobal.com

Secondary Analyst
Sigmund Jiang, CFA, CESGA
Analyst
(852) 3462 9587
sigmund.jiang@lhratingsglobal.com

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

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

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