

Lianhe Ratings Global Limited has upgraded the global scale Long-term Issuer Credit Rating of Yancheng High-tech Zone Investment Group Co., Ltd. to ‘BBB’ from ‘BBB-’; Issuer Rating Outlook remains Positive

HONG KONG, 4 March 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Yancheng High-tech Zone Investment Group Co., Ltd. (“YHZIG” or “the company”) to ‘BBB’ from ‘BBB-’. The Outlook is Stable.

The Issuer Credit Rating upgrade reflects an upgrade in our internal credit assessment on Jiangsu’s Yancheng Municipal People’s Government (“the Yancheng government”) and the expectation of continuing of a high possibility that the Yancheng government would provide strong support to YHZIG if needed, in light of its 100% ownership of YHZIG, YHZIG’s strategic position as an important developing and operating entity in Yancheng, especially in Yancheng High-tech Zone, and the strong linkage between the Yancheng government and YHZIG, including management supervision, strategic alignment, and ongoing operational and financial support. In addition, the Yancheng government may face significant negative impact on its reputation and financing activities should YHZIG encounter any operational or financial difficulties.

The Positive Outlook reflects our expectation that the Yancheng government’s support to YHZIG would be strengthened, while the Yancheng government will continue to ensure YHZIG’s stable operation.

Rating Sensitivities

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

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