

Lianhe Global has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Suqian Yunhe Port Area Development Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 28 May 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB-’ global scale Long-term Issuer Credit Rating of Suqian Yunhe Port Area Development Group Co., Ltd. (“SYPAD”). The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Sucheng District, Suqian City (“Sucheng government”) would provide strong support to SYPAD if needed, in light of its indirect full ownership of SYPAD, SYPAD’s strategic importance as the key local investment and development company (“LIDC”) that is responsible for infrastructure construction, land development and project investment in supporting facilities in Sucheng District, Suqian City (“Sucheng”), especially in the Suqian Canal Port Area (“Port Area”), and the linkage between the Sucheng government and SYPAD, including appointment and supervision of the senior management, strategic alignment, major investment and financing plan decisions and ongoing operational and financial support. In addition, the Sucheng government may face significant negative impact on its reputation and financing activities if SYPAD encounters any operational and financial difficulties

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

Rating Sensitivities

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

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