

Lianhe Ratings Global Limited has upgraded the global scale Long-term Issuer Credit Rating of Jiangsu Yangjing Petrochemical Group Co., Ltd. to ‘A-’ from ‘BBB+’; Issuer Rating Outlook Stable.

HONG KONG, 24 October 2024 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has upgraded the global scale Long-term Issuer Credit Rating of Jiangsu Yangjing Petrochemical Group Co., Ltd. (“JYPG”) to ‘A-’ from ‘BBB+’. The Outlook is Stable.

Key Rating Rationales

The Issuer Credit Rating upgrade reflects the company’s increasing strategic importance in Jiangsu’ Lianyungang, as the city is focusing on developing a world-class petrochemical industry base. JYPG is the key local investment and development company that is responsible for the development and operation of Lianyungang Petrochemical Industry Base (“the petrochemical industry base”) in Xuwei New District.

We believe this continues to present that the People’s Government of Lianyungang Municipality (“the Lianyungang government”) would provide very strong support to JYPG if needed, in light of the Lianyungang government’s majority ownership of JYPG, JYPG’s strategic importance as the key development and operation platform for Lianyungang Petrochemical Industry Base, and the linkage between the local government and JYPG, including the appointment of senior management, strategic alignment, supervision of major investment and financing decisions and ongoing operational and financial support. In addition, the local government may face significant negative impact on its reputation and financing activities if JYPG encounters any operational and financial difficulties.

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

Rating Sensitivities

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

We would consider upgrading JYPG’s rating if there is an upgrade in our internal credit assessment on the local 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 JYPG's rating is *Lianhe Global's China Local Investment and Development Companies Criteria* published on 31 July 2024, 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. None of the aforementioned entities nor its related parties participate in the credit rating process aside from providing information requested by Lianhe Global.

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