

## **Lianhe Ratings Global Assists Yihe Holdings to Issue the First Non-Financial Local State-Owned Enterprise Magnolia Bond in China**

Hong Kong, June 19, 2025 – Recently, Lianhe Ratings Global Limited (“Lianhe Global”), as the only Chinese international rating agency, assisted Yixin Innovation Technology Co., Ltd., a wholly-owned subsidiary of Shandong Yihe Holding Group Co., Ltd. (“Yihe Holding”), in successfully issuing “Magnolia Bonds” denominated in US dollars, which is also the first “Magnolia Bonds” denominated in US dollars by a non-financial enterprise in China. Lianhe Global assigned Yihe Holding a “BBB+/Stable” issuer rating and a “BBB+/Stable” international long-term issuance rating. In this transaction, Lianhe Global provided a full range of credit rating services to the issuer and international market investors in terms of corporate credit research, bond risk analysis, and rating setting.

### **Highlights of this issuance**

Yihe Holdings and its subsidiaries have priced the three-year senior unsecured “Magnolia Bonds” denominated in US dollars in Hong Kong on May 22, 2025, and June 25, 2025. This is also the first time that a non-financial enterprise has issued “Magnolia Bonds” denominated in US dollars. In 2020, under the guidance of the People's Bank of China, the Shanghai Clearing House and Euroclear Bank jointly launched the “Magnolia Bonds”. Through the financial infrastructure connection established by both parties, they jointly provide registration, custody, and settlement services for Chinese issuers and overseas investors. The core advantage of this overseas bond variety is to integrate domestic and foreign financial resources, broaden the cross-border financing channels for enterprises, and enhance the attention of the international capital market to high-quality Chinese enterprises. It has the characteristics of good market liquidity, a wide range of investors, and a convenient issuance mechanism. This issuance is the latest achievement of the “Magnolia Bonds” in digging deep into the regional market, showing the vigorous vitality and broad development prospects of the “Magnolia Bonds” in the complex domestic and international environment.

### **Significance of this issuance**

The successful issuance of the first non-financial enterprise “Magnolia Bond” of Yihe Holdings is an important milestone in the development of the enterprise and a landmark achievement of regional financial innovation. The issuance of this bond not only opens up a new financing channel for the enterprise, optimizes the capital structure, and reduces the financing cost, but also further enhances the brand influence and popularity of Shandong Yihe Holdings in the capital market, demonstrating the strong comprehensive strength and steady development trend of the enterprise. At the same time, as the first enterprise in the region to issue “Magnolia Bonds”, Shandong Yihe Holdings has provided valuable experience for other local

enterprises, which will help stimulate market vitality, attract more high-quality resources, and promote high-quality development of the regional economy. This issuance also reflects the financial market's high recognition of Yihe Holdings, and has played a positive demonstration role in improving the regional financial ecology and promoting the deep integration of industry and finance, injecting new impetus into regional economic development.

Terry Gao, CEO of Lianhe Global, said, "Warm congratulations to Shandong Yihe Holdings for its breakthrough in the issuance of the 'Magnolia Bond'! This is not only an important milestone in the company's development history, but also a landmark achievement in the innovation of the regional financial market. From the early preparations to the final issuance, we have witnessed from a professional perspective the outstanding strategic vision and execution capabilities demonstrated by Yihe Holdings in a complex market environment. We look forward to continuing to work with Yihe Holdings in the future, conducting in-depth cooperation in more areas, and jointly writing a new chapter in the development of the capital market."

Toni ho, Senior Director of the Credit Analysis Department of Lianhe Global, pointed out, "We are deeply honored to be able to participate in the issuance of Shandong Yihe Holdings' first non-financial enterprise 'Magnolia Bond' as the principal and bond rating agency. This issuance is a model of innovation and breakthrough in the capital market for enterprises, and has opened up a new path for financing for non-financial enterprises in the region. With rigorous and professional rating services, we have witnessed that Yihe Holdings' stable operating strength and development potential have been widely recognized by the market. Looking to the future, with the continuous advancement of financial innovation, we believe that the successful issuance of 'Magnolia Bond' will inspire more companies to explore innovative financing models, and we will continue to use our professional capabilities to safeguard the healthy development of the capital market."

### **About Yihe Holdings**

Linyi City is located in the southeast of Shandong Province. It is the largest and most populous prefecture-level city in Shandong Province. In 2024, Linyi City's GDP will grow by 5.7%, and its general fiscal budget revenue will reach RMB 46.9 billion, a year-on-year increase of 5.1%. Yihe Holdings is the core state-owned asset platform of Yihe New District in Linyi City. Its main businesses cover infrastructure, industrial investment and park operations. In recent years, through the integration of resources through state-owned enterprise reform, its domestic credit rating has jumped to AA+, and its overseas credit rating has jumped to BBB+. The issuance of Magnolia Bonds not only optimizes the debt structure, but also introduces international capital to the region, helping to implement the "urban investment transformation to industrial investment" strategy.

### **About Lianhe Global**

Lianhe Global was founded in 2017 in Hong Kong and is a wholly-owned subsidiary of China Lianhe Credit Rating Co., Ltd. (“Lianhe Ratings”). As the international credit rating arm of the Lianhe company group, Lianhe Global is a Type 10 license holder approved by the Hong Kong Securities and Futures Commission to provide credit rating services.

As of 2024, the Company had rated over 250 entities and 160 debt instruments, with a total rated amount exceeding USD 34 billion equivalent. Lianhe Global serves over 13,000 international market participants, including more than 8,000 Chinese offshore debt investors. The Company has been recognized as the Best Chinese international rating agency by various leading domestic and international financial media, including Euromoney, Finance Asia, The Asset, Corporate Treasurer, Wind, and Wall Street Trader APP. Lianhe Global is committed to enhancing the international competitiveness of Chinese rating agencies and to providing independent, objective, fair, and forward-looking rating services to facilitate the international debt financing activities between Chinese enterprises and global investors.

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