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

HONG KONG, 23 October 2025 – 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” or “the company”) to ‘A’ from ‘A-’. The Outlook is stable.

Key Rating Rationales

The Issuer Credit Rating upgrade reflects JYPG’s increasing strategic importance, driven by the strengthened role of Lianyungang’s Xuwei New District in Jiangsu Province, which has been granted provincial-level economic authority for project approval. Located in Xuwei New District, the Lianyungang Petrochemical Industry Base (“Petrochemical Base”) is one of China’s major national petrochemical hubs and is committed to developing itself into a world-class petrochemical base in Jiangsu Province. JYPG is a key local investment and development company that is responsible for project development and operation in Petrochemical Base. The company has further expanded into the development of strategic emerging industry zone in Xuwei New District.

We believe this reflects a high possibility that the People’s Government of Jiangsu Province (“Jiangsu government”) and the People’s Government of Lianyungang City, Jiangsu Province (“Lianyungang government”) would provide moderately strong support to JYPG if needed, in light of the government’s full ownership and its strategic importance. The company’s linkage with the government is strong, including management supervision, strategic alignment and ongoing operational and financial support. In addition, the Jiangsu and Lianyungang government may face significant negative impact on its reputation and financing activities if JYPG encounters any operational and financial difficulties.

Lianyungang is a prefecture-level city in northern Jiangsu Province. Lianyungang’s GDP increased steadily by 5.8% year-over-year in 2024 and reached RMB466.3 billion, while the petrochemical industry achieved an output value of approximately RMB230 billion. The budgetary revenue of the Lianyungang government grew strongly by 12.1% to RMB28.7 billion in 2024.

The Stable Outlook reflects our expectation that JYPG’s strategic importance would remain intact while the Jiangsu and 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 Jiangsu or Lianyungang government, particularly due to its reduced strategic importance, or (2) there is a significant reduction of the government's ownership of JYPG, or (3) there is a downgrade in our internal credit assessment on the Jiangsu government.

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

Principal Methodology Applied

China Local Investment and Development Companies Criteria (published on 31 July 2025) The methodology 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 rating process aside from providing information requested by Lianhe Global.

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