

Lianhe Global has affirmed ‘BBB+’ global scale Long-term Issuer and Issuance Credit Rating of Shandong Yihe Holding Group Co., Ltd.; Issuer Rating Outlook Stable

HONG KONG, 18 May 2026 – Lianhe Ratings Global Limited (“Lianhe Global”), an international credit rating company, has affirmed ‘BBB+’ global scale Long-term Issuer Credit Rating of Shandong Yihe Holding Group Co., Ltd. (“SYHG”). The Issuer Rating Outlook is Stable.

Lianhe Global has also affirmed ‘BBB+’ global scale Long-term Issuance Credit Rating of the Yulan USD Guaranteed Bonds issued by SYHG at the same time. A full list of affirmed issuance rating is included in this press release.

Key Rating Rationales

The Issuer Credit Rating reflects a high possibility that the People’s Government of Linyi City (“Linyi government”) would provide strong support to SYHG if needed. This mainly considers its full ownership of SYHG through the Management Committee of Yihe New District (“Yihe ND MC”), the de facto local government of Yihe New District (“Yihe ND”) and SYHG’s strategic importance as an important local investment and development company that is responsible for infrastructure construction, state-owned asset operation and industry development and investment in Yihe ND. In addition, the linkage between the Yihe ND MC and SYHG is strong, including management supervision, strategic alignment, and ongoing operational and financial support. We believe that the local government has a strong willingness to ensure SYHG’s business and financial viability in order to safeguard its reputation and local financing activities.

Linyi City is located in the southeast of Shandong Province. It is the largest and most populous prefecture-level city in Shandong Province. In 2025, Linyi’s GDP grew by 5.4% to RMB686.2 billion and realized budgetary revenue of RMB48.3 billion, representing a year-over-year growth rate of 3.0%.

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

Rating Sensitivities

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

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

Any rating action on SYHG rating would result in a similar rating action on its bonds.

Full List of Issuance Ratings

- USD55.0 million 5.99% Yulan USD Guaranteed Bonds due 2028 affirmed at 'BBB+'

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 methodologies 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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